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The general outline of the Summary is keyed to the outline in Part III of "Major Problems of the United States Foreign Policy, 1947—A Study Guide." Variations in this outline may occur from time to time with changes in the course of current history and the resultant shifts in the problems confronting the United States. Any major variations of this kind will be noted in the Introduction to each issue of the Summary.

The material in this Summary is based on publicly available official documents bearing on the events recorded and on information contained in selected American and foreign newspapers. Every effort is made to verify the accuracy of the statements made.

This publication is a part of a broad program of research and education in international relations, recently inaugurated by the Brookings Institution and focused on the current foreign policies of the United States. The program is being undertaken by the staff of the Institution's International Studies Group. The Summary is prepared by Jeannette E. Muther assisted by Constance G. Coblenz, Marie J. Thresher, Frances M. Shattuck, Tatiana Buzanova, and Maxine Lybarger, under the guidance of the principal members of the research staff.

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OUTSTANDING DEVELOPMENTS OF THE MONTH

President Truman's special message of March 17 to the Congress on "the critical nature of the situation in Europe" was the outstanding development during the month affecting the major problems of United States foreign policy. The President declared that the situation the world faces today is "chiefly" due to the fact that the Soviet Union "has not only refused to cooperate in the establishment of a joint and honorable peace, but--even worse--has actively sought to prevent it." He called for immediate action to "strengthen the ... forces for freedom, justice and peace," and recommended (1) "expeditious" Congressional action on United States aid for the European recovery program, (2) "prompt" enactment of universal training legislation, and (3) "temporary" re-enactment of selective service legislation. Because of the importance of this statement, the relevant portions of it that bear on the four broad groups of problems covered in this Summary are given at the opening of each of these sections.

Action by the Congress on the President's three recommendations was well under way before the month ended. The Senate approved the bill for the European recovery program on March 14 and the House of Representatives followed with its approval on the last day of the month. Meanwhile, Congressional hearings had begun on the proposals for universal training and selective service and these were still in progress at the end of March.

On the same day that the President delivered his special message to the Congress, Great Britain, France, Belgium, the Netherlands, and Luxembourg signed a fifty-year agreement for economic co-operation and common defense against aggression and invited other nations to participate. The President termed this action of "great significance" and declared that he was "sure" the determination of these countries to protect themselves would be "matched by an equal determination on our part to help them to do so." By the end of the month, however, no definite proposals had yet been made in regard to the precise form that United States participation in, or aid to, the Western European defense arrangement would take. This new major problem for United States foreign policy will hereafter be followed in this and succeeding issues of this Summary in the section covering security problems.

Another step to strengthen the bonds among the Western European nations was also taken in March when representatives of the sixteen participating in the European recovery program met in Paris during the latter part of the month and drafted an agreement on the structure and powers of a permanent organization for their co-operation under the program. This agreement was submitted to the participating governments for further study on March 25.

There was, however, striking evidence during the month of the strain in Europe caused by the broad and growing split between the United States and the Soviet Union that the President so frankly recognized in his special message to the Congress.

Tension mounted in all of Scandinavia as Finland reluctantly agreed to discuss, at the personal invitation of Premier Stalin, a possible

Soviet-Finnish pact and the Finnish envoys finally left for Moscow on March 20. The situation in Germany appeared to be moving into a new crisis when the Soviet representatives walked out of the Allied Control Council on March 20 and new traffic controls that would hamper American, British, and French movements to and from Berlin were instituted by Soviet authorities on March 29. There was a further tightening of Communist rule in Czechoslovakia that was marked by the suicide of Foreign Minister Jan Masaryk on March 10, a tragic event that ultimately led, in turn, to a complaint by Chile to the Security Council that the Communist coup in Czechoslovakia in February had been the work of the Soviet Union. The election campaign in Italy became more intensified following Secretary of State Marshall's announcement on March 19 that a Communist victory at the polls on April 18 would automatically exclude Italy from the benefits of United States aid under the European recovery program and the Anglo-French-American proposal, made on the following day, that the Free Territory of Trieste be returned to Italy.

Even the general harmony that had previously prevailed between the United States and the Soviet Union on the Palestine question was shattered during March. In a surprise move on March 19, the United States proposed to the Security Council that a special session of the General Assembly be convened immediately in order to restore peace in the territory by placing Palestine under a temporary trusteeship. This proposal, which climaxed nearly two weeks of fruitless discussions among the five permanent members of the Council, was widely viewed as a first step by the United States in abandoning the Palestine partition plan. President Truman denied this, however, in a special statement made on March 25 in which he claimed that while the United States still supported the partition plan it was clear that the plan, for the time being, could not be carried out by peaceful means.

Other major developments during the month were the closing and the opening of two international meetings of major importance.

The United Nations Conference on Trade and Employment, which had been in session at Havana since November 21, was brought to a successful conclusion on March 24 when 53 nations, including the United States and Great Britain, signed the Charter for the new International Trade Organization. Poland and Argentina, which had participated in the Conference, refused to sign the document. The Charter, a lengthy multilateral treaty comprising 106 articles, will not come into force until ratified by twenty nations.

The Ninth International Conference of American states opened at Bogotá, Colombia, on March 30. The agenda planned for the Conference included a new organic pact for the inter-American system, economic assistance to Latin America, and an inter-American treaty for the pacific settlement of disputes. Other items that it appeared would also be considered involved measures to combat Communism in the Western Hemisphere and the disputes over the Falkland Islands and Belize which had arisen anew in February.

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I. PROBLEMS OF THE PEACE SETTLEMENTS

Chief responsibility for the failure to achieve peace settlements was placed squarely upon the Soviet Union by President Truman in his special message to a joint session of the Congress on March 17 in which he reported on the "critical nature of the situation in Europe." The President first explained his attitude by pointing out that:

"Almost three years have elapsed since the end of the greatest of all wars, but peace and stability have not returned to the world. We were well aware that the end of the fighting would not automatically settle the problems arising out of the war. The establishment of peace after the fighting is over has always been a difficult task. And even if all the Allies of World War II were united in their desire to establish a just and honorable peace, there would still be great difficulties in the way of achieving that goal.

"But the situation in the world today is not primarily the result of the natural difficulties which follow a great war. It is chiefly due to the fact that one nation has not only refused to cooperate in the establishment of a just and honorable peace, but--even worse--has actively sought to prevent it. ..."

The President also reminded the Congress that:

"You know of the sincere and patient attempts of the democratic nations to find a secure basis for peace through negotiation and agreement. Conference after conference has been held in different parts of the world. We have tried to settle the questions arising out of the war on a basis which would permit the establishment of a just peace. You know the obstacles we have encountered. But the record stands as a monument to the good faith and integrity of the democratic nations of the world. The agreements we did obtain, imperfect though they were, could have furnished the basis for a just peace--if they had been kept."

Then the President declared:

"But they were not kept. They have been persistently ignored and violated by one nation. ..."

In his conclusion, the President emphasized that:

"The United States has a tremendous responsibility to act according to the measure of our power for good in the world. We have learned that we must earn the peace we seek just as we earned victory in war, not by wishful thinking but by realistic effort. ..."

A. PEACE SETTLEMENT NEGOTIATIONS

1. GermanyElection of Chief Executive of Bizonal Council

In a move toward giving effect to the new Bizonal administration, a meeting was called on March 1 to elect a chief executive. However, it had to be postponed until the next day following a rift between the Christian Democrats and the Free Democrats, who together constituted a majority. The Christian Democrats had nominated the chief burgomaster of Cologne for this post, but as they had no clear majority they needed the support of the Free Democrats. That party, however, had nominated its own candidate. As the Social Democratic party was determined not to accept governmental responsibility, a deadlock ensued.

When the meeting reconvened on the 3rd, the Social Democrats and the Communists had decided to refrain from voting. The Christian Democrat representative was then elected by a vote of 40 to 8, with 48 abstentions. The voting followed similar lines in the election of the other five members of the Executive Committee. The Council of States, despite a Social Democratic majority, confirmed the nomination on the 5th.

Three-Power Talks on Western Germany

The discussions on German problems, begun in London on February 23 between the United States, France, and Great Britain, concluded on March 5. A joint communiqué was issued the next day stating that "important progress" had been made and that conversations would be resumed in April. Agreement in principle was announced on international control of the Ruhr, a federal form of government for Germany, and close co-operation in the economic field between the three western zones. It was also decided that the Benelux countries should continue to participate in discussions on policy decisions regarding Germany. The communiqué said in part:

"The continuous failure of the Council of Foreign Ministers to reach quadripartite agreement has created a situation in Germany which, if permitted to continue, would have increasingly unfortunate consequences for Western Europe. It was therefore necessary that urgent political and economic problems arising out of this situation in Germany should be solved. The participating powers had in view the necessity of ensuring the economic reconstruction of Western Europe including Germany, and of establishing a basis for the participation of a democratic Germany in the community of free peoples. ..."

"... The three Western Powers have agreed that close co-operation should be established among themselves and among the occupation authorities in western Germany in all matters arising out of the European Recovery Program in relation to western Germany. ... It was also agreed to recommend to the three governments that the combined zone and the French zone should be fully associated in the European Recovery Program and adequately represented on any continuing organization."

"Consideration was given by all delegations to the establishment of an international control of the Ruhr on which Germany would be represented. The purpose of this international control would be to ensure that the economic resources of this area should not again be used for the purposes of aggression and that there should be adequate access to the coal, coke and steel of the Ruhr for the benefit of extensive parts of the European community including Germany. ..."

"A constructive discussion among all the delegations took place on the present situation and the possible evolution of the political and economic organization of Germany in the combined U.S./U.K. zone and the French zone. A wide measure of agreement was reached on a number of controversial points. In particular it was agreed that a federal form of government, adequately protecting the rights of the respective states but at the same time providing for adequate central authority, is best adapted for the eventual re-establishment of German unity, at present disrupted. Moreover, in order to facilitate the association of western Germany with the European Recovery Program the three delegations concerned further agreed that prompt action should be taken to co-ordinate as far as possible the economic policies of the three zones, in such matters as foreign and inter-zonal trade, customs, and freedom of movement for persons and goods."

Soviet Bloc Protests on London Talks

Protests made during February by Poland, Yugoslavia, and Czechoslovakia on the London talks concerning Germany were officially rejected by the United States in identical notes handed to the diplomatic representatives of these countries on March 5.

The Soviet Union, after having sent a note on February 13 to the United States, Great Britain, and France protesting that the then proposed talks on Germany would violate the Potsdam Agreement, submitted a further communication on this subject to the three powers on March 6. The note, reiterating previous charges, accused the Western Powers of attempting to liquidate the Council of Foreign Ministers and to paralyze the Allied Control Council for Germany. It alleged that the London conference was "a preparation for another deal on the German question between Britain, France, and the United States," that it had followed "only the narrow group of purposes of the creators of the Western bloc," and that it "was opposed by all the remaining states of Europe." The note reaffirmed the Soviet Union's earlier declaration "that the decisions prepared at this conference cannot have legal force and authority."

In a note dated March 25, the United States rejected the allegations contained in the Soviet Union's communication of March 6, declaring that the recent measures taken by the Western Powers had been forced upon them as a result of the unilateral policy pursued by the Soviet Union. The note listed the numerous ways in which the Soviet Union had violated the Potsdam agreement and asserted that it was this action which had threatened the authority of the Allied Control Council and cut off eastern Germany from the west. The communication blamed the Soviet Union for the failure of the Council of Foreign Ministers, pointing to the many occasions on which

agreement had been reached by the Western Powers, only to find that progress had been blocked by the Soviet attitude. The note continued:

"It is impossible not to draw the inference from the known proceedings of the Allied Control Council and the Council of Foreign Ministers that the Soviet Government has been pursuing in Germany objectives different from those of the other occupying powers.... . This inference appears to be borne out by the extensive remarks in the Soviet Government's note of March 6 directed against American aid in the economic recovery of Europe as well as against the economic and political co-operation of the United Kingdom, France, Belgium, Holland, and Luxembourg confirmed in the treaty signed at Brussels March 17. It is not these steps which have led to the political cleavage of Europe as claimed by the Soviet Union, but rather prior actions of the Soviet Government and a group of Eastern European states under Soviet influence which have disrupted the normal framework of the European community and interfered with the progress of recovery from the effects of the war.

"In the light of the foregoing, the United States Government is not able to agree with the Soviet Government's interpretation of the London discussions on the German question. The London discussions sought the solution of the urgent political and economic problems which have arisen as a result of the continuous failure to reach and implement quadripartite agreement, due to the attitude of the Soviet Government. ..."

On the same day, the British Government sent a similar note to the Soviet Union "entirely repudiating" the charges contained in the Soviet communication of March 6.

Socialist Unity Party and People's Congress

A sharp denunciation of the Soviet-sponsored Socialist Unity party was delivered by Gen. Sir Brian Robertson, British Military Governor, in the Allied Control Council on March 10. It came as the result of a protest to the Council from the chairmen of the "Union of the Socialist Unity party and Communist party of Germany" against the banning of such a union in the western zones. A supporting memorandum from the Soviet commander was attached to the letter.

Gen. Robertson, with the assent of Gen. Clay and Maj. Gen. Noiret, the French deputy commander, declared that there was no backing for such a union among the German people in the British zone. Here, it was said, the Socialist Unity party was regarded as a fraud--"a trick for enticing the workers away from a genuine Socialist conception into the toils of the Communist party." Robertson continued:

"The idea that the Socialist Unity party stands alone for the unity of Germany is particularly impudent. The only unity to which the leaders of this stooge party are inviting their fellow countrymen is unity in bondage to a single minority party. When the 'iron curtain' that shuts off the Eastern zone is lifted they will find out

exactly how big their mistake is. They will then be brought to account by the people of Germany for their attempts to betray democracy and to fasten on the necks of their fellow countrymen a yoke of their own importation."

The All German Congress for Unity and a Just Peace met in Berlin on March 17, preparatory to holding elections for a "People's Council." The Congress, dominated by the Socialist Unity party, was also attended by Soviet-sponsored leaders of the Christian Democrats and Liberal Democrats in the Soviet zone.

A People's Council and a presidency were elected at the conclusion of the session. It was said the Council consisted of 400 members--300 from the Soviet zone and 100 from the western zones. The presidency was composed of 29 members. Twenty in the group belonged to the Soviet zone, 11 being members of the Socialist Unity party, and the rest Christian Democrats, Liberal Democrats, or nonparty. A declaration of three freedoms was proclaimed by the Socialist Unity party at the gathering. These were: freedom from unemployment, freedom from exploitation, and freedom from an imperialist war.

On March 25, U. S. Secretary of State Marshall denounced the People's Congress as "a communist-dominated organization" which had "no legitimate claim to represent the German people as a whole" and was "practicing a cruel deception upon [them] in seeking to impose itself upon them as a substitute for genuine German unity."

Soviet Walk-Out in Allied Control Council

On March 20, following a charge by Soviet Commander Marshall Sokolovsky that the Western states were making four-power government of Germany untenable, the Soviet delegation walked out of a meeting of the Allied Control Council. This action was in protest against the refusal of the other three Powers to report on the proceedings of the London conference on Germany, which the Soviet Union had asked them to do.

Marshal Sokolovsky, who had called the meeting, asked for a discussion of the resolution adopted by Poland, Czechoslovakia, and Yugoslavia, protesting against the London talks. The Western Powers refused on the ground that the resolution had been transmitted to their governments and could not therefore be discussed at a lower level. The Soviet commander then demanded information on the conversations which had taken place in London and asked what directives had been received by the other occupation authorities as a result. The Western Powers replied that they had no information to give. General Robertson agreed that the request was legitimate but pointed out that the conference was in recess, that only recommendations had been made, and that he had received no directives. Gen. Clay replied in similar terms.

The Marshall next charged that the London conference had acted on matters which came within the jurisdiction of the Control Council, and that the Western Powers did not wish the matter taken up in the Control Council because it might reveal to the world decisions which contravened the Potsdam

Agreement. Refusal to discuss their actions, he continued, proved that the Western Powers intended to break up the Council, which therefore "no longer exists as an organ of government." In consequence, he said, he saw no object in continuing the meeting, and he declared it adjourned.

On the 22nd, the Soviet authorities, who (as chairmen for the month) were responsible for calling sessions postponed indefinitely all meetings of subsidiary organizations with the exception of the Allied Kommandatura (the supervisory authority for the administration of Berlin). Gen. Clay issued a statement the same day emphasizing United States determination to remain in Berlin.

The Soviet Union, on the 23rd, unexpectedly called three committee meetings for the following day. The other occupation authorities promptly refused to attend such gatherings until another meeting of the Control Council had been called.

Two days later (25th), Secretary Marshall issued a statement on the Soviet action in withdrawing from the Council meeting of March 20 which said in part:

"Any further attempt to disrupt the functioning of the Allied Control Authority...could only be construed as reflecting an intention...to renounce efforts to obtain Four Power agreement on policies for Germany and would be regarded as unilateral action aimed against the unification of Germany.

"In accordance with the international agreement binding on all four control powers, the United States intends to continue to fulfill its responsibilities as a member of the Control Council and as a joint occupant of the City of Berlin."

Meanwhile, the United States Government announced on the 23rd that plans to transfer control in Germany from the Army to the Department of State, scheduled for July 1, had been cancelled. A White House announcement said that "following a review of the present situation, it has been decided that it would be inadvisable to make any changes in our present administrative arrangements for Germany." The statement added that this decision would "not have any adverse effect on progress toward developing German responsibility for self-government and administrative initiative." It was also announced that Gen. Clay would retain his position as Military Governor and as Commander in Chief of American forces in Europe.

On the 29th, the Soviet Union notified the Western Powers that they intended to institute new controls over traffic to and from Berlin. These controls, which, according to the Soviet Union, would lead to "greatly expanded traffic between occupation zones," provided that: (1) all Allied personnel and their dependents passing through the Soviet zone should present documentary proof of their identity and of their "affiliation with an agency of the Military Government in Germany"; (2) that United States military authorities should obtain a permit from the Soviet authorities before loading and clearing their own freight shipments from Berlin; (3) that all

(except personal belongings) of Allied personnel passing through the Soviet zone would be subject to inspection by the Soviet authorities.

The Soviet note said that the new regulations would become effective within 24 hours, but it was stated that two British military trains had already been halted by the Soviet authorities following British refusal to permit inspection. The British Military Government said on the 31st it was willing to co-operate in the establishment or revision of travel regulations, but that it would not recognize the Soviet right to take unilateral action. The American Military Government declared (31st) that it was prepared "for train commanders to give proper documentation," but added: "We cannot permit entry into our trains as a new procedure."

Bizonal Economic Developments

Bizonal officials were active throughout the month in their efforts to bring some prosperity to the area, and developments indicated that significant changes in policy were taking place.

The food situation remained serious, although it was announced on March 16 that a substantial increase in imports from the United States would permit the ration to be raised to 1,560 calories on April 1. A report made public on the 21st, in which military government officials in the Ruhr warned of a probable decrease in coal production if the miners' ration of 4,050 calories a day could not be met, pointed out that the ration to normal consumers "in the more important areas such as Essen" had amounted to only 1,135 calories a day.

In the meantime, following a meeting of the Allied Control Council on March 6, the British military occupation authorities announced that, as a result of the Council's continued inability to reach any agreement on the question of raising coal prices, they had decided to abandon further attempts at four-power price control. They stated that coal prices would be raised from April 1 and added that, in consequence, increases were also to be expected in several other commodities, such as coke, pig iron, steel ingots, synthetic oil, basic chemicals, and electric power. The British had argued strongly for an increase, since the coal industry was being run at a loss, but the Soviet authorities had steadily opposed such action.

Another development related to the supply of scrap metal in Germany. A United States mission, which had spent two months investigating this problem, made its report on March 9. The mission, which was comprised of eight members, estimated that approximately 10 million tons of scrap was available for export in the Anglo-American zone and urged that its collection, processing, and export "be vigorously pursued under military government directives which would accord such a program a priority equal to that of coal." It was suggested that, as an important war potential, scrap was being held in Germany "for nationalistic reasons," and the proposal was made that, if necessary, a system of incentives should be employed to induce the German scrap industry to co-operate. The appointment of a scrap agency was suggested which could "move in and take over the management and operation of any yard not showing adequate performance."

The difficulty of increasing foreign trade as long as dollar payments were required for exports led officials of the Joint Export-Import Agency to announce on the 18th that they were prepared to consider the adoption of barter agreements. A few days later (21st), it was reported that strenuous efforts were being made to relieve the economy of burdensome formalities, in preparation for German participation in the European Recovery Program.

On the 25th, Gen. Clay confirmed that there would be a relaxation in decartelization measures and that in practice, action would be taken first against consumer goods' companies. He made it clear that he did not approve of splitting major industries such as steel into a large number of small, competitive companies. (This policy had actually been announced on March 11, but some confusion had arisen among occupation officials as to interpretation, and Clay's statement was designed to clarify the matter).

On the same day, the Council of States approved three bills sent to it from the Economic Council. They were: a law to place price control functions (at present being exercised by separate zonal authorities in the hands of the bizonal administration); a dismantling co-ordinating law, to permit the removal of equipment from one area to another; and a measure granting certain emergency rationing powers to the Food Minister.

The Bipartite Board on the 30th instructed the Bipartite Control Office in Frankfort on the Main to fix the exchange rate of the Reichsmark at 30 cents for all foreign trade except that of food imports and coal exports. The directive announced the revocation of the agreement on prices entered into by the co-ordinating committee of the Allied Control Council, and revealed that the Military Governors of the bizonal area had reached agreement on a new price policy "in preparation for currency reform." It was also said that "further isolation of German internal prices from the world market costs of imported goods must be terminated by relating ... internal selling prices to world prices at a uniform conversion factor... ."

2. Japan

Special Report of the House Foreign Affairs Committee

The House of Representatives Foreign Affairs Committee made public on March 2 a report on the economic and political conditions in Japan, China, and Korea. The special study covered the summer and fall period of 1947. Regarding steps which the American Government might take to "assist in the recovery of these three areas," continued support was recommended for economic rehabilitation and, in particular, additional military assistance for the National Government of China against Communist forces.

Soviet Protests on American Flights

A second protest by the Soviet Union against the activities of United States airplanes in the Far East was announced by Moscow radio on March 4. The broadcast said that "American planes continue to violate the freedom of merchant shipping ... [by] examining Soviet merchant vessels in the Yellow Sea and the Sea of Japan, circling over the ships, passing over

them at a low level and even diving down at them." On the same day, the Department of State denied having received the latest Soviet protest. The original complaint (delivered January 30) was being investigated prior to the issuance of a reply.

New Japanese Cabinet

Following more than two weeks of bargaining and compromising, Prime Minister Hitoshi Ashida completed the formation of a new coalition government on March 9. The Cabinet, as announced, included 10 members of the regime of former Premier Tetsu Katayama (Socialist). Key posts assigned included: Premier and Foreign Minister--Hitoshi Ashida (Democratic party); Finance Minister--Tokutaro Kitamura (Democratic); Education--Tatsuo Morito (Socialist); Labor--Kamjo Kato (left-wing Socialist); and Commerce and Industry--Chosaburo Mizutani (Socialist). The 16 new appointees were all members of the same three parties that formed the Katayama coalition, apportioned as follows: eight Socialists, six Democrats, and two People's Co-operatives.

The new Cabinet was formally installed on the 10th. In a public statement, the Premier pledged his administration to take "determined steps" to curb labor disputes and harmful social unrest. He declared it "absolutely imperative that just and equitable relations be maintained between capital and labor, without which all hope will be lost for an early reconstruction of our national economy."

Report on Japanese Reparations

Secretary of the Army Kenneth C. Royall released on March 10 the full text of the "Report on Industrial Reparations Survey of Japan to the United States of America, February 1948." The report recommended "against the removal of productive facilities (except primary war facilities) which can be effectively used in Japan," based on the following conclusions:

"The problem of restoring the economy of Japan to a self-supporting basis, even at the relatively low standards of 1930-1934, is one of enormous difficulty. Under the most favorable circumstances, it will call for intelligent direction and hard work and, above all, for opportunity to produce a sufficient quantity of civilian goods for domestic consumption and for export in order to provide food and clothing for the rapidly increasing population. The Japanese people have proved themselves to be industrious, but to be productive, they need tools with which to work.

"If uncertainties as to the ultimate disposition of their industrial plants were removed and incentives to capital to invest and to labor to produce were present, much might be accomplished. The settlement of the reparations question is urgent.

"Removal of productive facilities (except primary war facilities) which can be effectively used in Japan would hurt world production; would reduce the likelihood of her becoming self-supporting, and in any case increase the time required to accomplish this objective; would be

expensive to the American taxpayer; and, in our opinion, would not be to the best interests of the claimant nations."

U.S. Mission to Study Far East Needs

A joint mission of United States Government officials (including representatives of the Departments of State and Treasury) and businessmen left for Tokyo on March 16 to confer with Gen. MacArthur and his staff on both the economic situation in Japan and occupation costs. It was stated special consideration would be directed to the possible expansion of Japanese exports, as well as to the recommendations on industrial reparations made by the Overseas Consultants, Incorporated. Before returning, conferences were also scheduled for the group in Korea with occupation force commander Gen. Hodge, and U. S. Military Governor Gen. Dean.

The mission, headed by William H. Draper, Under Secretary of the Army, arrived in Tokyo the latter part of the month. Draper said the Army's policy was to make Japan self-supporting by 1952 or 1953. However, no "forecasts" were given as to what the mission's findings might be.

Prohibition of Military Activity

The Far Eastern Commission released on March 23 the text of a policy decision (approved on February 12) relating to the prohibition of military activity in Japan and the disposition of Japanese military equipment. The directive stated in part that the possession of "arms, ammunition and implements of war by any Japanese should be prohibited" save as the Supreme Commander might authorize; the manufacture of "aircraft of all kinds should be prohibited in Japan ... the construction of any naval combatant and auxiliary vessel or craft ... prohibited ... [and] military equipment seized from the former Japanese Armed Forces or from members of the Japanese civil populace should after examination be destroyed or scrapped" except for certain specified uses.

Provision was made for the confiscation of "all records of military registration of demobilized personnel from the Army, Navy, Air Forces, gendarmerie and secret police." The directive also recommended that re-establishment should be prohibited of the War and Navy Ministries, the Japanese Imperial High Command, the Supreme Military Council, and all related and subordinate bodies, as well as of military training academies and schools. All the measures set forth were aimed to "prevent any revival of the Japanese Army, Navy, gendarmerie, secret police and their administrative organs."

Strike Wave

In a series of communications stoppages (that began February 27), Tokyo was virtually cut off from the rest of the country by a 24-hour telephone and telegraph workers' strike on March 12. At the time of this demonstration, it was stated "on good authority" that plans were also well under way for a general twenty-four-hour walkout of all government employees. The strikes were a protest against the basic salary increase from 1,800 yen to 2,900 yen recently granted by the government to the communications workers. The group was asking for a 5,000-yen cost-of-living bonus for each employee,

a 2,500-yen bonus for each dependent and an indeterminate salary increase to balance the cost of living.

Faced with the government employees' revolt Premier Hitoshi Ashida, in a statement on the 13th, appealed to the workers to remain on their jobs--accepting their low pay "as a reflection of the economic plight of defeated Japan." He pointed out that the government fully recognized that "the income of government workers is very low, and as a result their livelihood is extremely pressed. Nevertheless, a new wage standard would form a serious financial burden on state finances. In view of this fact it is requested that government employees accept the inevitable decision."

On March 25, however, 200,000 government employees struck for a twenty-four-hour period, again paralyzing telephone and telegraph communications. A resumption of the "labor offensive" against the Ashida government, the walkouts were termed "vacation tactics." Over 400,000 workers were scheduled to stage a general strike on the 31st, but on the 29th the occupation authorities prohibited any such action. Leaders of the communications workers were summoned to the office of the chief of the Headquarters Labor Division and informed that Gen. Douglas MacArthur's order of January 1, 1947, banning a general labor walkout as a "deadly social weapon," applied to the present situation.

3. Austria

Meeting of Foreign Ministers' Deputies

In March the Foreign Ministers' Deputies, engaged in negotiations in London on the Austrian treaty settlement, continued, without success, their struggle to resolve Soviet claims to "German" assets in Austria. The Soviet Union insisted on adhering to discussions of principle and refused to negotiate on specific lists of properties to be transferred to it. The Western Powers, on the other hand, took the position that no settlement could be arrived at until greater precision had been given to the Soviet demands.

On the 2nd, the Soviet delegate said that the Soviet proposals had been sufficiently explained and asked the Western Powers to indicate whether or not they were in agreement. The American delegate thereupon expressed his "very grave doubt" that Austria could remain independent if the Soviet proposals were carried out, citing especially United States rejection of Soviet requests for: (1) extraterritorial privileges on assets acquired by the Soviet Union; (2) unrestricted export of profits derived from such assets, regardless of Austrian law; (3) permanent guarantees against Austrian nationalization of industries in which the Soviet Union might acquire an interest; (4) oil resources which would leave Austria with insufficient for minimum needs; and (5) payment over a two-year period of a cash sum of \$200 million, which would have a disastrous effect on Austrian economy.

The British and French delegates also rejected the Soviet proposals on the 4th, on the ground that they were too high to permit the economic independence of Austria. Discussions proceeded fruitlessly for several

days, the United States, supported in the main by France and Great Britain, making several offers which constituted advances on the French proposals. However, the Soviet Union refused to concede any modifications of its demands. As the conference appeared on the verge of a breakdown, the Soviet Deputy was maneuvered on the 10th into a reluctant admission that there might be some possibility of negotiation on the Soviet figures.

The Soviet delegate, on the 16th, denied that his country had any intention of claiming extraterritorial rights for property claimed in Austria. Two days later he presented a concrete offer of modification of the original proposals, but it proved not to be extensive. The demand for cash payment was reduced from \$200 million to \$175 million, and for current oil production from 66-2/3 per cent to 64 per cent. On the other hand, while the figure of 450,000 tons of oil refining capacity remained unchanged, the Soviet Deputy stated that the capacity already under Soviet control was only 100,000 tons, considerably less than the estimate which had been made by the Western Powers. In fact, the United States view was that the demand for oil refining capacity had in effect been increased from 66-2/3 per cent to 80 per cent.

All the Western Powers then offered new concessions. The United States Deputy advanced a proposal that the Soviet Union should be entitled to receive 53 per cent of current oil production--as against an earlier offer of 40 per cent. He also agreed to increase the percentage of oil prospecting rights to be made available to the Soviet Union.

Further discussion revealed, however, that the Deputies were still very far from arriving at a settlement. On the 23rd the United States delegate suggested that the assets question should be set aside temporarily to enable the conference to proceed to a discussion of other unsettled articles in the draft treaty. The Soviet Deputy expressed strong objections to this course, observing that he wished to continue a discussion of principles.

The following day, in an effort to break the deadlock, the United States Deputy, supported by France and Great Britain, proposed that Austria should be consulted on its capacity to pay. This suggestion was rejected by the Soviet Deputy, who charged that the Western Powers were attempting to evade the Potsdam Agreement and to allow Austria to determine the amount of payment.

The Deputies adjourned for a five-day recess on the 25th without having made any further progress. When they reconvened on the 31st, however, the Soviet Union offered a further concession. It reduced its demand for a cash payment by a further \$25 million to a total of \$150 million. At the same time, it expressed its willingness to extend to six years the time within which Austria would be required to complete this payment.

Opposition to Communists

Within Austria the government appeared determined to thwart any movement which might increase the power of the Communists. The month began with protest strikes--said to have been communist-inspired--against food shortages. There were also signs of a split between the People's party and

the Socialist party, the two parties which make up the coalition government and represent 98 per cent of the voting in the Assembly. The government promptly endeavored to close the ranks of these two political groups and, in a Cabinet statement issued on the 4th, emphasized that the conclusion of a treaty was "a common goal to which all difficulties must be subordinated."

The executive committee of the trade unions voted on the 8th to expel all trade unionists organizing or joining "action committees," which the Communists had recently been attempting to establish. At the same time, the Minister of the Interior declared such committees illegal.

The unequivocal position taken by Austria was strongly defended on March 13 by Chancellor Figl. He pointed out that Austria had naturally chosen the side from which it received "co-operation for the reconstruction of the Austrian state" instead of the side which made demands "that far exceed our capacity." He refuted charges made by the Communists and the Soviet member of the Allied Council that the Austrian Government was to be blamed for the food shortages. Figl reminded the people that "there are thousands of hectares of fertile land in Austria from which the Austrian people receive not one kilogram of bread because we are not allowed to exercise any jurisdiction over this territory."

Speaking in London on March 25, Austrian Foreign Minister Karl Gruber stressed the determination of his government to deal with action committees and armed factory guards (reportedly numbering about 5,000) in the Soviet zone. Gruber said that the Austrian Government would not sanction illegal seizure of power by the Communists. He pointed out, however, that the prevention of such action--after withdrawal of the occupation troops--would require the maintenance of a trained army and an armed police force. (Austrian requests for permission to train an army had been vetoed in the Allied Control Council by the Soviet Union.)

4. Korea

Elections Schedule

Lieut. Gen. John R. Hodge, U. S. commander in Korea, in a proclamation released on March 1, announced that "election of the representatives of the Korean people, under the observance of the United Nations Temporary Commission on Korea, shall be held within the territory of this command on 9 May 1948."

In a statement released in Seoul on the 4th, Hodge explained to the Korean people at length their responsibility in the forthcoming election. He pointed out that under the voting procedure all qualified adults could participate "without fear of retaliation by rival political groups." The General further stated that there "will be a systematic dissemination of information to the public concerning the election," and he advised caution "against listening to false prophets and against credulous acceptance of rumors."

At an open plenary session of the U. N. Temporary Commission on Korea in Seoul on March 8, K. P. S. Menon (India) made a full report on the

debate as it had taken place in the Interim Committee of the General Assembly at Lake Success during February. At the same meeting, the Canadian representative declared that his government refused to regard the Interim Committee resolution to hold elections in South Korea as more than "advice" to the Commission, and consequently not binding upon that body. However, on the 12th, by a vote of 4 to 2, with 2 abstentions, it was agreed that the general elections be held on May 9 as announced. Australia and Canada were in opposition, while France and Syria abstained.

Reports from Seoul on March 13 disclosed that the North Korean Communist regime had ordered South Korean sympathizers to "launch a move to disrupt a separate election." Propaganda broadcasts from Soviet-controlled stations said contributions were being collected to support Southern Koreans to "carry on a merciless and fierce, bloody struggle against the American imperialists and their hirelings, the reactionary police." The United States was accused of "planning to establish a puppet government in South Korea."

The Soviet-controlled radio in Pyongyang, capital of the Soviet zone, carried a broadcast on March 26 which announced that the People's Committee had reached a unanimous decision to invite "all South Korea political parties and organizations opposed to separate elections in South Korea" to attend a joint meeting with North Korean groups. "High American officials" stated on the following day that South Korean leaders who desired could attend the parley without hindrance. The gathering was scheduled for April 14. However, Dr. Syngman Rhee, Korean Rightest leader, rejected an invitation from the North Korean People's Committee to be present.

A postponement of the elections from May 9 to 24 was requested by the chairman of the National Election Committee on the plea that the Committee could not meet the election deadline with respect to necessary preparations. Gen. Hodge recommended the request be granted, but the U. N. Temporary Commission on Korea voted on March 30 (4 to 3, with 1 abstention) to proceed with the balloting on May 9.

Previously the Commission had adopted a report on the 20th on the methods of observation of the forthcoming elections. Among other things, provision was made for the examination of "complaints concerning the conduct of the elections in any area." It was resolved that the elections would be observed "(a) centrally by liaison with and observation of the work of the National Election Committee [appointed by the Military Government], and (b) in the provinces by direct observation through field observer groups." The successive stages of the elections to be under observation by the Commission were set as follows: period of registration of voters (March 30 to April 8); period during which poll registers may be examined, appeals made and candidates registered (April 14 to 20); polling day; and post-election period.

Land Reform Program

The U. S. Military Government in Korea announced on March 22 the inauguration of an extensive land reform program. Farm lands, totalling approximately 730,000 acres and formerly owned by Japan's Oriental Development Corporation, were scheduled for sale by the newly created National Land

Administration. It was said about 95 per cent of the acreage placed on sale will be offered to the farmers presently tilling the soil. Through a program set up by the Land Administration, farmers will be enabled to make long-term loans for the improvement of their properties. The plan envisaged an incentive to the farmers to increase their own production, and to provide resultant benefits to "all the people."

B. IMPLEMENTATION OF PEACE TREATIES

1. The Italian Treaty

a) Colonies

Foreign Ministers Deputies' Discussions

The Four-Power Commission of Investigation on the former Italian colonies continued activities in North Africa during March. When its report on Eritrea reached the Deputies of the Foreign Ministers in London, it was said (10th) that the members of the Commission had been unable to agree on the interpretation of testimony of the inhabitants of that colony as to the future of the area. The Soviet Union reiterated its view that the interested governments should be heard before the Commission completed its report on the colonies, while the United States, Great Britain, and France maintained that the governments should speak afterwards unless they chose otherwise.

Private hearings were held in Tripoli, Libya on the disposition of that former colony. It was said on March 15 that the five Arab parties there, comprising about 756,000 persons, had agreed to suggest to the Commission that Libya be united under the direction of Sayed Adris el-Senussi--spiritual leader of Cyrenaica province and the most influential Arab leader in Libya. The president of the National Council for the Liberation (Arab) stated on the 17th that his group had decided to reject any form of trusteeship for the ex-colony, even including Egypt and the Arab League, and would so advise the Commission. The Italian Advisory Committee took an opposing view, as its leader declared that independence was desirable but that Libya was "not ready for independence, and Italy, because of its close ties with Libya over thirty years, should be the only trustee." On the 20th, leaders of the five Arab parties, professing to constitute a united Arab front, presented to the Commission a joint memorandum asking for complete independence for Libya.

b) Trieste

Anglo-French-American Proposal on Trieste

The Governments of the United States, Great Britain, and France on March 20, in joint notes delivered to the Soviet and Italian embassies in Washington, proposed that the Free Territory of Trieste (set up under the Italian peace treaty) be returned to Italy. The same afternoon Foreign Minister Bidault of France made the proposal public at a meeting in Turin, Italy, at which time the French and Italians signed trade agreements. The

three powers suggested that "an additional protocol" be appended "to the treaty of peace with Italy which would place Trieste once more under Italian sovereignty."

The joint announcement pointed out that it has proved impossible to implement the plan for an independent Trieste. Two principal reasons for the failure were cited: "Discussions in the Security Council have already shown that agreement on the selection of a governor is impossible, and because they have received abundant evidence to show that the Yugoslav zone has been completely transformed in character and has been virtually incorporated into Yugoslavia by procedures which do not respect the desire expressed by the powers to give an independent and democratic status to the territory." Consequently, the United States, Great Britain, and France "decided to recommend the return of the Free Territory ... to Italian sovereignty as the best solution to meet the democratic aspirations of the people and make possible the reestablishment of peace and stability in the area."

The Italians received the suggestion with evident enthusiasm, and it was said in Rome that the move might considerably influence the outcome of the April 18 election. In contrast, the Yugoslav Ambassador in Washington issued a statement almost immediately which condemned the suggestion and the omission of Yugoslavia from the proposed negotiations looking toward the return of Trieste to Italian hands.

The Ambassador said that Yugoslavia had no aggressive intentions toward Trieste, and he expressed shock "at the substance and form of the Department of State's proposal. He affirmed that he did not know "if it is intended to seek to provoke Yugoslavia into a step that might provide the excuse for direct action by other nations in this situation." The Ambassador added: "I do not know why here, as in other matters, the Government of the United States prefers not to avail itself of the machinery of the United Nations. But I do know that this action is certain to create an atmosphere of nervousness and tension in which prejudice flourishes and in which the employment of reason and calmness and justice is made more difficult."

The Moscow radio on the 21st accused the United States, Great Britain, and France of "acting behind the back of the Soviet Union" to revise the Italian peace treaty. The Soviet broadcast reportedly said that "the declaration made March 20 by [the three governments] that they intend to recommend the return of the Free Territory of Trieste to Italy has tremendously increased the stakes in the Italian general elections to take place April 18." It was also said that:

"The Free Territory of Trieste, which was separated according to the conditions of the peace treaty, is now being presented to Italian voters as a prize, the receipt of which may actually depend on the results of the elections. Thus it is frankly admitted that the most important purpose of the Anglo-Franco-American declaration is to influence Italian voters so as to force them in the forthcoming parliamentary elections in Italy on April 18 to vote for reactionary parties, which are agents of the United States and is not motivated by a concern for the Italian people as this declaration tries to make out."

On the 23rd, the U. S. Department of State released the text of a note from the Italian Ambassador to the United States, expressing "keen and legitimate satisfaction that the Governments of the United States, the United Kingdom and France had reached the conclusion that the re-establishment of a free order and respect for the democratic aspirations of the great majority of the population of the Free Territory of Trieste can only be guaranteed by the return of the Territory to Italian sovereignty." The note also said that the Italian Government was "prepared to participate to that end... through the drawing up of a protocol which will be submitted to the Security Council for approval." It concluded by expressing the belief that "this proposal not only constitutes the recognition of a fundamental principle of international justice, but, when realized, can likewise constitute a guarantee of peace and of that sincere collaboration which Italy desires with the neighboring Yugoslav people."

The local Communist party in Trieste was still awaiting instructions on the 24th from Moscow on the attitude it should adopt on the three power proposal. British troops moved close to the Yugoslav occupation zone border, but the action was described by the authorities as only part of "routine field exercises." However, on the following day, the British Commander in Chief of the American-British forces there, said that he planned to strengthen the frontier to prevent a possible invasion by Yugoslav troops.

A report that Yugoslavia would ask for Gorizia in return for Trieste was denied in Belgrade on the 23rd. The Yugoslav Foreign Minister merely said that his country was ready to negotiate "in the spirit of the Tito-Togliatti" talks of approximately a year and a half ago. On the 25th, the Italian Foreign Ministry declared that there was no possible basis for an understanding between Italy and Yugoslavia other than the "letter of the tripartite proposal."

Marshall Tito, in a statement to the Italian people on the 26th, said that his country "will always be prepared to solve all questions which might impede their peaceful and regular development and jeopardize friendship and collaboration among the peoples of these two countries." Tito added, however:

"All which could divide the Italian people from the peoples of Yugoslavia can only be solved by the democratic forces of Italy and the peoples of the new Yugoslavia, and in the future when the Italian people truly become the masters of their own fate and govern their own country without any tutorship and outside interference."

The Marshall called the three-power proposal "a trick to deceive the Italian people." He explained: "It is not the American Navy in Italian ports and not the empty Marshall plans but the free Italian people that can solve, together with the Yugoslav people, all problems which can hamper their peaceful co-operation."

The commander of the Anglo-American zone of Trieste declared on the 27th that a "state of calm" existed throughout the area under his command. This statement was made in response to reports of unusual warlike

preparations in the zone, and of the alleged arrival of additional British troops to strengthen the occupation forces.

Speaking in Rome on March 27, Communist leader Togliatti insisted that a definite settlement of the Trieste problem could be reached only through direct Italo-Yugoslav negotiations. He declared that the Western proposal had for its purpose the depicting of the Communists and Socialists as hostile to Italian sovereignty over Trieste and asserted that the proposal was designed to arouse a spirit of nationalism of the kind that led Italy into World War I. Togliatti outlined conversations he had with Marshall Tito in 1946, and said that the Marshall had as his aim the elimination of all border dissensions between the two countries. In contrast, said Togliatti, the Western Powers intended to prevent an Italo-Yugoslav rapprochement, and this explained why Yugoslavia was not invited to the proposed talks on Trieste. The Western aim, according to the Italian Communist leader, was to keep the frontier conflict alive until Italy could be drawn into a new "imperialistic" war against Eastern Europe and the Soviet Union. He concluded by urging the Italian people to vote for the Communist ticket on April 18, thus assuring that "we will solve the Trieste question in [the] spirit of peaceful collaboration, in agreement with Yugoslavia," adding that "it will not take us more than 48 hours, and we will solve it to the full satisfaction of our national aspirations and sentiments."

c) Other Treaty Provisions

Return of Dodecanese Islands to Greece

On March 7, in Athens, according to the terms of the Italian peace treaty, the 50 Dodecanese Islands were formally returned to Greece. These will henceforth be under Greek sovereignty for the first time since 1522 when they were captured and made part of the Ottoman empire.

Soviet Views on Italian Reparations

A Soviet Government communiqué of March 11 disclosed that in a note (March 9) to the Italian Government, the Soviet Union had indicated that in its view there was "no ground for putting off the reparations discussion" essential in the implementation of the Italian peace treaty. According to the terms of that document, reparations are to be paid from current Italian production, and the Soviet Union declared its intention of insisting on this provision in proposed trade talks with Italy.

II. ECONOMIC AND SOCIAL PROBLEMS

The Soviet Union's attitude toward economic recovery in Europe was strongly condemned by President Truman on March 17 in his special message to the Congress. The President first pointed out that there were "encouraging signs" that the free nations of Europe are drawing closer together for their economic well-being. He said:

"In the economic field, the movement for mutual self-help to restore conditions essential to the preservation of free institutions is well under way. In Paris, the sixteen nations which are cooperating in the European Recovery Program are meeting again to establish a joint organization to work for the economic restoration of Western Europe.

"The United States has strongly supported the efforts of these nations to repair the devastation of war and restore a sound world economy. In presenting this program to the Congress last December, I emphasized the necessity for speedy action. Every event in Europe since that day has underlined the great urgency for the prompt adoption of this measure.

"The Soviet Union and its satellites were invited to cooperate in the European Recovery Program. They rejected the invitation. More than that, they have declared their violent hostility to the program and are aggressively attempting to wreck it. They see in it a major obstacle to their designs to subjugate the free community of Europe. They do not want the United States to help Europe. They do not even want the sixteen cooperating countries to help themselves."

Later in his message the President made three recommendations, the first of which was especially "calculated to give support to the free and democratic nations of Europe." He urged that the Congress should:

"... speedily complete its action on the European recovery program. That program is the foundation of our policy of assistance to the free nations of Europe. Prompt passage of that program is the most telling contribution we can now make toward peace. The decisive action which the Senate has taken without regard to partisan political considerations is a striking example of the effective working of democracy.

A. RECONSTRUCTION AND DEVELOPMENT

The President's estimate of the situation was confirmed by the British White Paper, "Economic Survey for 1948," which analyzed the serious difficulties for Great Britain and Europe that would result from nonpassage of the European Recovery Program. The foreword stated:

"The most important uncertainty of all in 1948 is whether United States aid under the European Recovery Plan will be forthcoming. ... Without United States aid, in short, Britain would be compelled to cut

consumption and employment, and to abandon many of her development plans. With adequate aid present levels of consumption and employment can be maintained, and development can go forward. But there is still likely to be uncertainty from year to year about the continuance and amount of dollar aid. On no account, therefore, must such aid be used merely to provide greater ease or comfort. It must be used rather to sustain working strength and efficiency, while new sources of supply are developed in Britain, in the sterling area, and elsewhere, which will enable Britain to stand on her own feet when the period of aid is finished."

It was pointed out in the report that, at the current rate of drain, Britain's gold and dollar reserves would be reduced to about £225 million by the end of 1948, and would be exhausted during 1949. Without help, heavy cuts in imports from the Western Hemisphere would be necessary and, since food imports had already been slashed, the cuts would have to fall largely on raw materials. Alternative sources of supply did not exist, since already the greatest practicable amount was being bought from non-dollar sources. Heavy cuts in Western Hemisphere materials would inevitably result in severe unemployment. If steel and manpower devoted to machinery could buy food and raw materials in 1948, these would have to be exported without regard to the contribution they could make to economic prospects two or three years later. These reductions, it was pointed out, would be extremely damaging in their social and economic effects. Such restriction of imports and diversion of exports, in addition to the necessity which would confront Great Britain of refusing to grant further credits, would not only diminish the support which Great Britain could give to European reconstruction but would, the report concluded, seriously retard such reconstruction.

1. The European Recovery Program and Other Foreign Aid

Further Interim Aid

Congressional delay in enacting European recovery legislation led the Administration early in the month to request an additional interim appropriation for France, Italy, and Austria. Statistics published by the Department of State on March 2 showed that these three countries had already received 28 per cent of the aid provided for under the Foreign Aid Act 1947, while procurement had been initiated to cover the greater part of the balance. The next day, in urging enactment of recovery legislation by April 1, Under Secretary of State Lovett pointed out that the assets of several countries were nearly exhausted. He indicated in particular that the French financial situation would necessitate placing further restrictions on imports unless additional aid was forthcoming.

On the 11th, therefore, the President requested congressional appropriation of an additional \$55 million for interim aid to France, Italy, and Austria to maintain the flow of supplies pending legislation on the European Recovery Program. (\$597 million had been authorized under the Foreign Aid Act 1947, but only \$522 million had been appropriated). The President declared the need for essential supplies to these countries to be "imperative." He added that he hoped Congress would "find it possible to make the needed funds available before April 1."

Provision for assistance to Trieste had not been included in the interim aid legislation of December 1947. However, on the 3rd, in view of the serious economic situation which existed there, Secretary of State Marshall sent Senator Vandenberg, President pro tem of the Senate, and Speaker of the House Martin the draft of a bill to extend the Foreign Aid Act 1947 to cover that area. He requested an appropriation of \$20 million of the total amount authorized under the Act to continue assistance to Trieste after funds available under other programs were exhausted (which would be before the end of March). The Secretary of State pointed out that, while the revival of Trieste depended on the restoration of trade between Eastern and Western Europe, the appropriation would "prevent disease and unrest in the zone of Trieste still occupied by U.S.-U.K. troops."

The House on March 22 approved, by voice vote and with very little debate, appropriation of the sum of \$55 million requested by the President for additional interim aid to France, Italy, and Austria. The bill then was passed by the Senate on the 29th and signed by the President on the 31st.

Senate Action on Foreign Aid

Debate in the Senate on the European Recovery Program was opened by Senator Vandenberg on March 1 with an urgent plea for adoption of the bill drawn up by the Senate Foreign Relations Committee. Pointing to the fate of Czechoslovakia and the probable fate of Finland, he asked for speedy passage of the recovery legislation, warning that "if the beacon is to be lighted at all it had better be lighted before it is too late."

The Senator declared: "This legislation ... aims to preserve the victory against aggression and dictatorship which we thought we won in World War II. It strives to help stop World War III before it starts. It fights the economic chaos which would precipitate far-flung disintegration. It sustains Western civilization. It means to take Western Europe completely off the American dole at the end of the adventure." Vandenberg also cited British Foreign Minister Bevin's call for a Western European union. "These are new signs of new times," he continued. "If these trends are thwarted, if these hopes are dashed, I confess that I tremble for the consequences in a foreshortened world. ... In my view the approaching Senate roll-calls are that important—to them and to us."

Pointing out how closely the estimates of the Paris Conference, the Executive departments, the Harriman Committee, and the International Bank had approximated one another, the Senator urged adoption of the figures contained in the bill for carrying the program through the first year. "These recommendations are not sacred," he said, "but in the light of the powerful credentials they possess, unless the Appropriations Committee can strongly prove them wrong, let us give them the benefit of the doubt for the time being." He reminded the Senate that the next Congress would have an opportunity to resurvey the whole program in January 1949.

Vandenberg next called attention to other aspects of an over-all world recovery program which would have to be taken into consideration, including obligations to China, Turkey, Greece, and the occupied areas; the need for restoring German economy; and the importance of favorable relationships with the Pan American countries. In conclusion, he made the following appeal:

"Whatever we are to do, let it be done without undue delay. ... The exposed frontier of hazards moves almost hourly to the west. Time is of the essence in this battle for peace, even as it is in the battles of a war. Nine months ago, Czechoslovakia wanted to join Western Europe in this great enterprise for stability and peace. Remember that. Today Czechoslovakia joins only such enterprises as Moscow may direct. There is only one voice left in the world which is competent to hearten the determination of the other nations and other peoples of Western Europe to survive in their own choice of their own way of life. It is our voice. ..."

The Senator had indicated, prior to his speech, that he intended to bring the measure to a vote by March 15. However, it soon became clear that a small group of senators was bent on delaying action by making lengthy speeches on amendments for which they could not have hoped to gain acceptance. Among several drastic amendments put forward in the course of the debate was a proposal by Senator Joseph Ball that the President and Secretary of State should join with other nations in establishing an eleven-member, veto-free defense council with authority to call upon member states to contribute their armed forces to defend any member against "aggression or subversion in any form." This amendment was promptly rejected by Vandenberg, who refused to contemplate a proposal which might cause months of delay in implementing the recovery program and which would "commit the United States to war on the vote of foreign countries."

By holding late sessions toward the end of the second week of discussion, it proved possible to complete debate within the time limit Vandenberg had set as his objective, and the bill was approved by a vote of 69 to 17 just after midnight on the 13th. Although a number of amendments were incorporated into the measure, they involved no major changes, and the bill which emerged from the Senate under the title of "The Economic Co-operation Act 1948" was substantially the same as that reported out of the Senate Foreign Relations Committee. An amendment offered by Senator Taft to reduce the first year's authorization to \$4 billion was defeated by a vote of 56 to 31.

The Senate Foreign Relations Committee began consideration of the Administration's request for military aid to Greece and Turkey on the 15th. The session was closed, but a statement by Secretary of State Marshall was made public. He repeated, with greater emphasis, the arguments presented to the House Foreign Affairs Committee on the 3rd. (See under "House Action on the European Recovery Program"). The Secretary of State contended that if the United States failed to continue its efforts to assist the Greek Government, "the consequences would be swift and tragic and they would not be confined to Greece." He pointed out further that although Turkey was in less immediate danger, it was confronted by the same threat as Greece and maintenance of its strength was imperative. On the 19th, the Committee approved a draft bill authorizing \$275 million for further military aid.

The following day, the Committee began consideration of a bill for additional aid to China. It rewrote the Administration's bill, reducing the total amount from \$570 million for 15 months to \$463 million to cover a twelve-month period. Although the Administration had asked only for economic aid, Senator Vandenberg explained that under the Senate Committee's bill \$363 million would provide economic aid on terms similar to those applicable to the European Recovery Program and that the balance of \$100 million would be "a grant to China to be used to suit its own necessities and purposes." It could be used for military requirements at the "option of the Chinese Government."

The Greek-Turkish aid bill was passed by the Senate on the 23rd after only very brief debate and without a recorded vote. Vandenberg spoke forcefully in favor of the measure, declaring that while we may not like it, "almost all of us would like far less the contagious consequences of its failure."

The Senate Foreign Relations Committee reported out its China aid bill on the 26th, stating, however, that China was such "a maze of imponderables" that it was impossible to know how far such aid would be effective. The Committee came to the conclusion that "the unfavorable factors presently outweigh the favorable." Nevertheless, it declared itself convinced that "the assistance contemplated in this bill should appreciably strengthen the position of the National Government without, at the same time, involving the United States in any additional commitments of a military nature." It was emphasized that the \$100 million which was to be used by Chiang Kai-shek at his discretion was not to involve the use of American troops. The report was highly critical of the Chiang administration, charging it with inefficiency and corruption, both in the government and in the army. Senator Vandenberg withdrew the report on the following day, observing that it had "created an impression which was not intended." In a statement explaining his action, he said:

"I think it is obvious that certain reforms in the Chinese Government and the basic Chinese economy are necessary for the sake of all concerned. ... But I think it is equally obvious that the Nationalist Government represents our common contest against communist aggression and deserves firm support within our resources."

An amended report was published later omitting certain passages criticizing the Chinese Government and pointing out that: "Because of traditional friendship between our peoples, China's difficulties produce in the United States a profoundly sympathetic response, particularly at this critical moment when China is an all-important part of a common front against aggressive Communism."

Following an appeal for prompt action by Senator Vandenberg, the Senate adopted the China bill by voice vote on the 30th. This completed its work on the three aid programs which were still being debated in the House in the form of an omnibus bill.

- Herter Committee Reports

The House Select Committee on Foreign Aid issued during March a further series of reports in connection with the American foreign assistance program. The purpose of a study on current United States organizations for dealing with foreign aid was stated to be the provision of "a factual and analytical background for determining the connections which should be established between existing agencies and the new agencies to be set up in the United States and overseas to administer the program."

Reports on machinery and equipment and on transportation indicated the branches in which shortages existed and made recommendations for overcoming these lacks. It was strongly urged in the report on transportation that no arbitrary restrictions should be placed on the division of cargoes to be carried among vessels of various flags and that the Ship Sales Act should be amended to authorize the Maritime Commission to offer vessels under bare-boat charter to foreign operators. A study on Eastern Europe concluded that within the next few years Eastern Europe would probably be unable to supply their prewar exports to Western Europe at the prewar rates, even if they regained their prewar level of exports, although it was possible that the Soviet Union would be in a stronger position. Reporting on Great Britain, the Committee commented favorably on the achievements of the Labor government, but pointed out that British exports would have to be increased to 50 per cent above prewar rates.

A study on Latin America was severely critical of Argentina which it charged with taking advantage of world shortages to demand exorbitant prices. It proposed that the United States should use its position as a supplier of capital equipment and other materials urgently needed by the Argentine to remedy this situation. The report recognized the balance of payments difficulties of many Latin-American countries, but observed that--in view of the purchases to be made in these areas by the United States under the European Recovery Program--the Administration estimate that these countries should be expected to finance only \$700 million of aid to Europe between April 1948 and June 1949 seemed "unduly conservative." The Committee declared it to be "imperative" that no program for Latin-American relief as such be included as part of the European Recovery Program," but urged at the same time "the importance of continuing cooperation in economic development of Latin-American republics."

House Action on Foreign Aid

In the House, the Foreign Affairs Committee decided on March 1 to include in one over-all bill the European Recovery Program, the \$570 million in aid for China, and the \$275 million in additional aid for Greece.

Secretary of State Marshall had appeared before the Committee on February 20 in support of such assistance to China. On March 2, when the Committee resumed its hearings on this program, William C. Bullitt, former U. S. Ambassador to the Soviet Union, stated that while the amount proposed "should be enough on the purely economic side," an additional sum of \$100 million should be appropriated for military aid. "If our government should permit the Communists to take over China," he said, "it would have failed

to bar the way to an attack on our country by overwhelming masses of Stalin-driven slaves. We cannot successfully oppose Communist conquest of the world by opposing communism in Europe only."

The following day, in a cablegram to the Committee, Gen. Douglas MacArthur declared: "Underlying all issues in China is now the military problem. Until it is resolved little progress can be expected toward internal rehabilitation, regardless of the extent of outside aid. The Chinese problem is part of a global situation which should be considered in its entirety in the orientation of American policy."

Gen. Wedemeyer likewise told the Committee on the 4th that the forces in opposition to the legal government were now too strong for economic aid alone to be effective and said he did not think he would recommend the proposed economic program "without voting military aid to protect that program." Another prominent witness to appear before the Committee was Maj. Gen. Claire L. Chennault, who, testifying on the 10th, stressed the importance of China as a bulwark against the advance of communism. He warned, however, that China had almost reached the end of its resources and urged the granting of prompt economic and military aid to the extent of \$1.5 to \$2 billion.

The importance of additional assistance to Greece and Turkey was stressed by Secretary of State Marshall and Secretary of Defense Forrestal in hearings before the House Foreign Affairs Committee on March 3. The Administration's hope that further aid to Greece would be unnecessary after 1947, the Secretary of State said, had not been realized owing to intensified guerrilla warfare brought about by increased support from Greece's northern neighbors. He asserted, however, that the situation, although serious, was "not without hope." Evaluating the effect of further aid, he said:

"Extension of further American military aid to Greece and Turkey which is now before the Congress, as well as early and favorable action on the European Recovery Program, will be of tremendous importance in discouraging more overt aggression against Greece. Conversely, nothing could be more calculated to encourage the enemies of Greece in their designs than a show of weakness or hesitation on the part of the United States."

Turning to a closer consideration of the Turkish problem, the Secretary of State pointed out that continued communist pressure had terminated the expectation that the military assistance furnished under the current aid program would be sufficient, and that no assurances could be given that additional aid would not be required. The testimony of Secretary of Defense Forrestal followed similar lines.

The Administration's anxiety over the slow progress being made in the House led Secretary of State Marshall, accompanied by Lovett and U. S. Ambassador to Britain Lewis Douglas, to pay a visit to Speaker Martin on March 8 to urge him to accelerate procedure.

On the same day (8th), in response to a request made by the Foreign Affairs Committee, the Department of State submitted to that body a statement of all foreign policy legislation required during the current session, together with estimated authorizations and appropriations to be requested. In addition to the aid programs already submitted, it was noted that the Army was developing an economic rehabilitation appropriation request for Japan, Korea, and the Ryuku Islands. It was stated further that Congress would shortly be asked to authorize the Export-Import Bank to make a development loan of \$500 million to the Latin American countries.

Meanwhile, the Administration's request to House leaders to give primary consideration to the program was followed on the 10th by an appeal from Senator Vandenberg. He feared that a decision to draft an over-all foreign aid bill might delay passage of the European recovery bill, since the Senate Foreign Relations Committee had not yet begun consideration of other foreign aid programs. House leaders nevertheless announced the next day that they had decided on an inclusive bill to be divided into two parts--one part covering the European Recovery Program and economic aid for China, the other comprising military aid for China, Greece, and Turkey.

The House Foreign Affairs Committee began drafting its foreign aid bill on the 15th and two days later (17th) voted 11 to 8 in favor of a \$5.3 billion European Recovery Program.

The House Committee's version of the measure differed from the Senate's bill in two important respects. In the first place, it stipulated that additional loan authority of \$1 billion should be granted to the Export-Import Bank, the amount being advanced by the Treasury, and that the appropriation for the recovery program should be reduced to \$4.3 billion. The \$1 billion would be used for loans and would be subject to the Bank's repayment standards. The \$4.3 billion could be used for grants or loans at the discretion of the administrator, and, although any loans made from this fund would be subject to Bank supervision, they would not be subject to the usual standards of repayment required by the Bank. No loans were to be made by the administrator, however, until the Bank's \$1 billion had been exhausted.

The second important amendment was also inserted to satisfy those House members favoring the Herter proposals for administration. Instead of providing for an independent agency, as in the Senate bill, the House Committee recommended leaving it to the discretion of the administrator to determine whether the organization should be set up along corporate or agency lines.

The House Committee made further changes in the European Recovery Program provisions before passing on to the China and Greek-Turkish aid sections of its foreign aid measure. In the European recovery portion of the bill, as completed on the 19th, was reinserted a provision which had been taken out of the Senate bill to permit the charter of 200 American ships, under certain limitations, to countries participating in the program. The Senate had also added a clause to assure that at least 50 per cent of supplies under the program should be carried in American ships. The House amended this to provide merely that a "substantial" quantity should be shipped by American vessels.

In an endeavor to prevent military supplies from reaching the Soviet Union or its satellites, the Committee added the following provision:

"The administrator is directed to refuse delivery to participating countries of commodities or products which go into production of commodities or products for delivery to any country which has announced its intention to attempt to prevent the success of ERP, which commodities or products would be refused export licenses to those countries by the United States."

The Senate bill had left it to the discretion of the Secretary of Commerce to determine whether such exports should be prohibited. Other amendments included more specific clauses relating to the acquisition of strategic materials for stockpiling purposes.

The European recovery bill drawn up by the House Foreign Affairs Committee was incorporated into an omnibus foreign aid bill which received the Committee's unanimous approval on the 19th. The bill, totalling \$6.205 billion, comprised \$5.3 billion for the European Recovery Program, \$275 million for Greek and Turkish aid, \$570 million for economic and military aid to China, and \$60 million for the International Children's Fund. Of the \$5.3 billion approved for the European Recovery Program, \$20 million were earmarked for Trieste. Democratic party representatives voted for the omnibus bill only after they had failed in attempts to vote out the European Recovery Program as an independent measure.

The Committee specified that \$150 million of the \$570 million approved for aid to China should be set aside for military purposes, and should be subject to terms similar to those applying to the Greek-Turkish aid program. The Committee recommended that the balance of \$420 million be administered under the European Recovery Program administration.

In reporting out its foreign aid measure, the Committee referred to the "critical character" of the coming elections in Europe and observed that "assurance of immediate aid by the United States, coupled with an unmistakable intention to assist those areas most in danger of military incorporation or civil war inspired and sustained from outside, will perhaps be the determining factor in the outcome of these critical elections."

On March 23, as the Senate passed the Greek-Turkish aid measure and began discussion of the program for assistance to China, the foreign aid bill of the House Foreign Affairs Committee was brought to the floor of the House of Representatives. Both Chairman Charles Eaton of the Foreign Affairs Committee and Representative Herter of the Select House Committee on Foreign Aid urged speedy passage of the measure. Eaton described the bill as "an announcement to the world of our choice" between slavery and freedom, and he added: "Once our choice is made we must go on until victory is won for ourselves and all mankind." Herter, who had submitted a bill which differed in several important respects from the bill before the House, termed the House measure "an extremely fair compromise" and promised to "support it in all its provisions."

Reversing his earlier position, former President Hoover on March 24 announced his support of the European Recovery Program then before the House. He observed:

"If it should produce economic, political and self-defense unity in Western Europe, and thus a major dam against Russian aggression, it would stem the tide now running so strongly against civilization and peace. The plan, if well devised and under a capable administrator, stands a good chance of success. I believe it is worth taking a chance."

Hoover did not recommend any cut in the first year's appropriation of \$5.3 billion but contented himself with advising the Appropriations Committee to investigate the possibility of effecting certain economies. He suggested certain changes in the House bill, including: (1) restoration of the Senate proposal that the United States should guarantee 70 per cent of the credits extended by Western Hemisphere nations to countries participating in the European Recovery Program; (2) revision of the clause restricting shipments to the Soviet Union. Hoover felt that this clause would tend to eliminate trade between Western and Eastern Europe and he recommended the substitution of a clause simply prohibiting munition shipments.

The House completed general discussion of the bill on the 25th and, after recessing for Easter, reconvened on the 29th, when it began consideration of amendments. The following day, the clause which had been reinserted by the House Foreign Affairs Committee to permit the charter of 200 government-owned ships to countries participating in the European Recovery Program was eliminated. The House also acted to revise the wording of the bill specifically to designate Spain as a country eligible to receive assistance under the program. An amendment to this effect was adopted by a vote of 149 to 52. (The U. S. Department of State had previously stated that the inclusion of Spain in the recovery program was a matter for the members of the Committee of European Economic Co-operation to decide). An attempt was made to reverse this action before the final vote on the bill was taken, but it was reaffirmed by a vote of 188 to 104.

The omnibus aid bill passed the House on the 31st by a vote of 329 to 74. It provided for total foreign aid of \$6.205 billion, comprising \$5.3 billion for the European Recovery Program, \$420 million for economic aid to China, \$60 million for the International Children's Emergency Fund, and \$425 million for military aid to China, Greece, and Turkey (\$150 million of which was earmarked for China).

Before the debate in the House ended and the bill was sent to the conference committee for reconciliation with the Senate measure, Chairman John Taber of the Appropriations Committee told the House that his committee wished to examine the "actual needs" of participating countries and that in consequence he did not anticipate it would be ready with an appropriations bill before May 10.

Representative Vorys told the House that, until an administrator was appointed, the program (which could begin to operate immediately following authorization under the provision permitting the Reconstruction Finance Corporation to advance \$1 billion) would be administered by the Department of State. The Department of State would, however, confine its action to the supply of food and fuel.

ERP: Meeting of Participating Countries

Meanwhile, the European nations participating in the economic recovery program reconvened in Paris on March 15. French Foreign Minister Bidault, who opened the conference, said that recent events had shown "with dramatic clarity" why Europe was reduced to 16 countries, and urged the necessity for speedy organization.

British Foreign Secretary Bevin stressed the importance of working to end the need for further aid, and said that: "By the end of that period [of temporary aid] we must aim at arriving at a situation in which Europe will stand on its own feet and cease to be a claimant on the taxpayers of any other country. ... But when that period of help ends and the program has succeeded I do not believe that we shall break apart; I believe that our co-operation will go on. ..."

The conference adopted the following agenda: (1) report on the work already done and presentation of the reports of the technical committees on studies made by the United States in connection with the program; (2) the participation of western Germany in the program; (3) the formation of a working group to draft a multilateral agreement, to draw up a plan for a continuing organization, and to prepare the agenda for the next meeting of the conference. It also received a request from the Foreign Minister of Portugal to consider the participation of Spain in the work of European economic reconstruction, but no immediate action was taken on this matter.

On the 16th, the western zones of Germany were formally invited to join in the work of the conference. The resolution of invitation noted that "the full co-operation of Germany in the work of the permanent organization is essential to the economic reconstruction of Europe," but that, "since it has not been possible to establish the economic unity of Germany," the Anglo-American and the French zones should be considered as "independent participating members." The resolution further provided that the inter-governmental agreements relative to the European Recovery Program should be signed by the respective occupation authorities on behalf of each zone and that the two zones should be represented in the various executive and operating bodies by "representatives of the occupation authorities assisted by competent [German] officials."

News of this invitation was greeted enthusiastically by all but the communist members when it was reported to the Bizonal Council on March 17 by the Council president, Dr. Erich Koehler. In making the announcement, Koehler described the Paris decision as one of "extraordinary importance." He was also warmly applauded when, in sending greetings to Berlin on the occasion of that city's celebration of the 1848 revolution, he expressed the hope that before long Berlin and the Soviet zone would be "brought into" western Germany's recovery program. On the 18th, accordingly, for the first time since the war, German officials took their seats at an international conference in company with the occupation officials from the western zones, who had previously handled German matters in international meetings by themselves.

After the Foreign Ministers left on March 16, their Deputies set to work to draw up the terms of reference of a working party. This was quickly accomplished and the Working Party held its first meeting on the 18th. In attempting to draft an agreement on the structure of the permanent organization, the Working Party found itself faced with a conflict of views on the powers and authority of this body. One view, held by the French, was that strong executive powers should be delegated to the secretariat. Another, held by the British, was that there should be no delegation of sovereignty but that each nation should be represented in the permanent organization by a strong national delegation. The Working Party completed a draft charter for the organization on March 25, then adjourned until April 5, while the participating governments proceeded to examine the proposals which had been drawn up. Although the terms of the charter were not made public, it was said that agreement had been reached which more nearly approached the original views of the French.

Details of a reconstruction plan for the bizonal area under the European Recovery Program, prepared by German experts, were published on March 28. The plan provides for \$2.236 billion worth of imports in the first year, against an estimated \$656.75 million in exports. Military government officials, however, told German officials on the 31st that their estimates of exports should be raised.

Labor and the European Recovery Program

The organ of the Cominform—For a Lasting Peace, for a People's Democracy—published in Belgrade on March 1 the text of a statement which had been presented to the delegates of the CIO at the end of their discussions with the Soviet All-Union Central Council of Trades Unions toward the end of February (see February Summary). The Soviet trade unions denied allegations that they were "hampering the 'Marshall plan'" and "trying to turn the World Federation of Trade Unions into [their] obedient tool." They said in part:

"The AUCCTU categorically rejects, as premeditated calumny, the allegations that the Soviet unions wish to prevent the national trade union bodies and individual trade unions from discussing the 'Marshall plan.' ... The Soviet unions are of the opinion that the 'Marshall plan' comes within the sphere of State and political relations between the U. S. and the different European countries and involves such political matters concerning which each country and each trade union center should be absolutely free to decide, in accordance with their independence and sovereignty. Consequently, the 'Marshall plan' is not a matter on which the WFTU can reach decisions obligatory for all the national trade union centers. ...

"In view of the foregoing, we consider as groundless the attitude of the [British] General Council which, over the head of the WFTU, is convening an international trade union conference to discuss the 'Marshall plan.' The AUCCTU believes that separatist action of this kind can but cause harm to the WFTU and will undoubtedly be utilized by the enemies of the working class.

"As for the discussion of the 'Marshall plan' the Soviet trade unions consider also that it would be more democratic to have an exchange of views in the Executive Committee of the Federation, where the point of view of the trade unions would be more fully represented. Moreover, the AUCCTU will agree to a meeting of the Executive Committee at any date. ..."

The executive committee of the Italian General Confederation of Labor announced on March 2 that it had decided to decline the invitation to discuss the European Recovery Program extended in February by the British Trades Union Congress. The Committee, dominated by Communists and left-wing Socialists, voted 13 to 4, with 2 abstentions, against attending the meeting. The following day, the central committee of Berlin Trade Unions, also communist-dominated, voted 43 to 8 not to take part in the London conference.

Louis Saillant, general secretary of the World Federation of Trade Unions, disclosed on March 3 that it had been decided to hold the Federation conference on the recovery program in Rome, observing in this connection: "the coming session of the executive bureau of the WFTU in Rome next month will be the biggest international labor demonstration that has taken place in the last twenty-five years. Because of the Italian elections taking place April 18 it is not likely that this demonstration will open until late in April."

Those unions that had accepted the British invitation (including both the AFL and the CIO) met in London from March 9 to 11. Their meeting established an ERP trade union advisory committee, with functions defined as: the collection and dissemination of information, continuation of the work of the conference between meetings and calling of future conferences, and the establishment of contacts with the continuing organization of the European Recovery Program. M. E. Kupers of the Netherlands was elected president of a ten-member committee, with headquarters to be established in London.

A declaration was adopted at the close of the conference stressing the necessity for the full co-operation of workers of all organizations in all the participating countries. The pronouncement repudiated "firmly and emphatically" any alignment of the East against the West and declared the new committee to be "open to all bona fide trade union organizations that decide to participate." It emphasized the "almost insurmountable difficulties" which Europe would have to face without American aid, but declared itself satisfied that "no unacceptable conditions are attached to the offer of American aid and that in particular there shall be no interference in the internal affairs of any participating country."

2. International Long-Term Development

Economic and Social Council: Sixth Session

The sixth session of the Economic and Social Council, which had convened on February 2, concluded on the 6th of March. Action taken during March included the passage on the 3rd of a resolution--requested by the Havana Conference on Trade and Employment--directing the Secretary-General

to prepare as rapidly as possible studies on the achievement of full and productive employment, and to ascertain from both members and (where practicable) nonmembers steps being taken toward the realization of full employment and stability within countries.

Other important action--in addition to items already mentioned in the February Summary--included approval by the Council of the recommendation to establish an ad hoc committee to study the desirability of an economic commission for the Middle East. On the basis of the report of the Economic Commission for Asia and the Far East, the Secretariat was requested to study the recommendation that a Bureau of Flood Control be established for that area.

The Secretary-General was requested to proceed with plans for a scientific conference on conservation and utilization of resources at which information could be exchanged on techniques used in this field. Joint action with the FAO to assist in the solution of the problem of the continuing world food crisis was also advocated. Assumption by the United Nations of the statistical functions of the League of Nations was recommended to the General Assembly; and an ad hoc committee was established to prepare a draft convention on genocide for consideration at the next Council session.

International Bank: Loan to Chile

The International Bank on March 25 approved two loans for Chile totalling \$16 million. These loans, the first in the development field made by the Bank, will be used for hydro-electric development and for the purchase of agricultural machinery. Both are guaranteed by the government.

FAO: International Rice Conference

An international rice conference, sponsored by the United Nations Food and Agriculture Organization, opened at Baguio, Philippines on March 1.

A report was made to the conference on the 2nd on the current rice situation and future market prospects. It was pointed out that the estimated exportable surplus for 1948 was three million tons whereas it had been eight million in pre-war years. Consideration was given to ways of saving over ten per cent of the world's rice crop which is now lost to insects and rodents and through various wasteful practices.

The conference approved formation of an International Rice Council which will come into being when its constitution is accepted by ten nations representing 51 per cent of the world's production. A dispute over membership in the proposed organization was resolved by allowing membership to all members of FAO, and recommending immediate establishment of a South-East Asian branch. The new organization will be a technical, advisory body that will not conflict with the International Emergency Food Council and will not have jurisdiction over trade matters.

International Wheat Agreement

An international wheat agreement was signed by 15 nations on March 6 in Washington. The agreement provided that the principal producers among the signatories (the United States, Canada, and Australia) supply for export 500 million bushels annually during the five-year term of the accord, at a price not to exceed \$2 a bushel. A minimum price of \$1.50 a bushel was guaranteed for the first year, and a sliding scale was arranged--decreasing the price to \$1.10 by the fifth year. No price limitations were set for sales in excess of the quotas determined for each government (185 million bushels from the United States, 230 million from Canada, and 85 million from Australia). Although an Argentine observer was present during the negotiations, both the large wheat-exporting countries of Argentina and the Soviet Union remained outside the agreement. Congressional approval will be required for the pact to become binding on the United States.

B. COMMERCIAL POLICY

1. International Trade Organization

Havana Conference: Signature of Final Act

The Final Act of the United Nations Conference on Trade and Employment, held in Havana, Cuba was signed on March 24 by representatives of 53 nations. Only three participating countries did not become signatories. These were Argentina and Poland, whose delegates had earlier announced their intention of abstaining, and Turkey, whose representatives failed to receive instructions from their government enabling them to adhere to the pact. Czechoslovakia was the only state within the Soviet sphere to sign. The Soviet Government at no time participated in any of the meetings of the group although it was invited each time. A place on the executive board is being held open for the Soviet Union.

The Charter of the ITO is a multilateral treaty of 106 articles--many of them technical--which is designed to promote the orderly conduct of international economic relations over a wide area in accordance with a set of agreed principles and for the attainment of agreed objectives. Its substantive provisions cover the international aspects of employment policy, international co-operation in the field of economic development including international investment, the whole range of commercial policy proper (including tariffs and preferences, indirect protection, the use of quantitative restrictions for certain purposes, subsidies and the relation between state trading and nonstate trading countries), restrictive business practices (cartels) and international commodity agreements in primary and related commodities. Administrative provisions set up an international organization through which the members agree to work co-operatively in all these fields, and define its structure, duties, rights, and obligations.

Agreement on the Articles of the Charter relating to commodity agreements, state trading, and important technical matters such as tariff valuation was reached in Havana on the general basis of the Geneva draft with comparatively little difficulty. The provisions with respect to sub-

sidies, which involve the whole problem of domestic policy designed to stabilize agriculture and the effects of such policies on international trade, as well as the Articles dealing with international investment presented serious dilemmas, but compromises incorporating the basic elements of United States policy were reached.

Three very difficult and essential issues, however, threatened to make successful conclusion of the Charter negotiations impossible and were resolved only by strenuous efforts. These were the use by underdeveloped countries of quantitative restrictions and new preferential systems in the interest of economic development and reconstruction programs, and the use of discriminatory restrictions by countries in difficult balance-of-payments positions. The first two problems were directly concerned with difficult questions relating to the voice of underdeveloped countries in the organization itself.

This whole group of problems was made the subject of a general settlement by the special Co-ordinating Committee, composed of the heads of delegations, which finally broke the deadlock at the conference. In accordance with the settlement, the principle of prior approval by the organization for quantitative restrictions in the interest of development and the formation of new preferential arrangements on the same grounds was maintained. However, this approval must be granted automatically if it can be shown that certain specific criteria stated in the Charter have been met.

The solution to the third problem, finally agreed to by the United States and British delegations after consultation with their home governments, set up two procedures--known as the Geneva and Havana options--between which a country, faced with a difficult balance-of-payments position, may choose. According to the Havana option (Article 23), such discrimination is permissible if its effect is equivalent to that which would result were the Member to apply restrictions on payments and transfers for current international transactions as permitted under the transitional provisions of the Articles of Agreement of the International Fund. Members already practicing a greater degree of discrimination on March 1, 1948, however, may continue to do so for the duration of the transitional period.

The Geneva option (Annex K) permits discriminatory regulations if additional imports may thereby be obtained at a not unreasonably higher price and without lowering the country's monetary reserves obtained from current exports. Both options apply only to the period before March 1, 1952, after which prior approval of the ITO will be required. The Geneva option, which is open only to countries that have signed the General Agreement on Tariffs and Trade by July 1, 1948, will probably be elected by the British.

Since the Charter of the ITO will not come into force until it has been ratified by 20 nations, approval was given on March 15 for the formation of an interim commission, composed of representatives of all governments entitled to original membership in the organization.

The contracting parties to the General Agreement, which had been signed in Geneva, convened in Havana at the end of the month to bring the

text of the Agreement in line with the Charter. It was agreed by this group that the Articles of the Havana Charter relating to territorial application, including the right to form customs unions and free trade areas, and establishing exceptions for the use of discriminatory quantitative restrictions should immediately supersede the corresponding Articles of the General Agreement as drafted in Geneva. Other Articles of the Havana Charter will not supersede the General Agreement until the Charter comes into force. At a meeting of this group, the Czechoslovak delegation announced that it would sign the General Agreement.

Before the final plenary session in Havana, William L. Clayton, chairman of the U. S. delegation, said:

"This is a day for history. There have been other conferences on international economic affairs. But none of them has undertaken a task so difficult as the one that is completed here today. ... Each [signatory of the Charter] will surrender some part of its freedom to take action that might prove harmful to others; and thus each will gain the assurance that others will not take action harmful to it."

Several other countries indicated at the final plenary session that the Charter did not fully meet their expectations but that they believed it to be a reasonable compromise and therefore acceptable as a whole. The British delegate said that:

"The Government of the United Kingdom much regret that neither in its general balance nor in its detailed provisions is the Draft Charter wholly satisfactory to them. ... We are sure that the firm faith of the United States in this project from the beginning will bear fruit. ... The spirit and aims of the Organization are its life-blood, and as the representative of the United Kingdom I may say that, given the conditions of recovery, given the will to serve the common interest in the circumstances of the world as they are, in the difficulties of the times through which we are passing, we have faith in its future."

Other high officials commented on the significance of the Final Act. President Truman termed the successful conclusion of negotiations at Havana "an example of the finest type of international co-operation" and a contribution "to our efforts for a just and lasting peace." Statements of commendation also came from Cabinet members Marshall, Harriman, and Anderson.

The first congressional reaction to the Charter was voiced on March 18 with the defeat (13 to 7) in the House Ways and Means Committee of a motion which urged the President to complete the Havana negotiations with the greatest dispatch and present the Charter to Congress for approval as soon as possible. Instead, the Committee approved (15 to 7) the following resolution: "Resolved that any action of the President or the Department of State prior to the consideration by Congress of the International Trade Organization shall not, insofar as the Ways and Means Committee of the House of Representatives is concerned, be construed as a commitment by the United States to accept all or any of the provisions of the proposed Charter." The voting on both these resolutions followed party lines.

2. Renewal of the Trade Agreements Act

In a message to the Congress on March 1, President Truman requested the extension of the Reciprocal Trade Agreements Act for three years in its present form. In recommending renewal of the Act, which expires in June, the President declared that its "positive benefits to world trade, to United States export industries and agriculture, and to our domestic consumers are beyond question." He maintained, too, that "we need have no fear of serious harm to any domestic producer," as "an expanding foreign trade promotes the most efficient use of our productive resources and contributes to the growing prosperity of the whole nation. . . ." The President said that:

"For fourteen years the Reciprocal Trade Agreements Act has been an essential element of United States foreign policy. . . . The importance of the Act is greater today than it has ever been. Together with other nations we are engaged in a mighty endeavor to build a prosperous and peaceful world. The financial assistance we have already contributed, and the further aid we shall give to nations in Europe and elsewhere, constitute a tremendous investment toward world economic recovery. The Reciprocal Trade Agreements Act, by stimulating an increasing flow of trade between nations, will contribute strongly to the achievement of this objective. Its extension is essential if we are to complete the work we have begun. . . ."

President Truman suggested further that renewal of the Act was important in enabling "the United States to play its part in extending . . . reduction of trade barriers" to other countries wanting to join in the Geneva trade agreement, and to "carry out the International Trade Organization charter, now being completed at Havana."

Opposition to re-enactment of the Act was expressed immediately by many Republican congressmen. Speaker of the House Joseph W. Martin, speaking for them, said: "It will be impossible to get any extension of the Act unless the Senate, at minimum, is granted the power of confirmation or rejection."

3. Foreign Commercial Agreements

European Customs Unions

On March 15, in opening the conference of the European nations participating in the recovery program, Foreign Minister Bidault said that France was anxious to undertake studies with the Benelux nations and with Great Britain similar to those which had led to the Franco-Italian customs union project. On the 20th, a commercial pact and protocol for the customs union were signed by France and Italy. The former set a new exchange rate based on the price of the dollar in the two countries and listed commodities to be exchanged with the aim of establishing "parallel" production in their competitive industries as another step toward the accomplishment of the union.

The third session of the study group set up by the Paris Economic Conference to examine the possibility of forming a European customs union met in Brussels on March 18. Norway and Sweden sent fully accredited members this time, instead of observers. The western German zones were represented by observers for the first time.

Commercial and Financial Agreements

During the month, numerous other agreements were signed by European countries, many designed to increase the exchange of commodities without the expenditure of hard currencies. France also concluded (March 19) a financial agreement with Switzerland and a five-year economic and financial agreement with Poland. Great Britain announced conclusion of trade agreements with the Netherlands (March 1), Finland (March 2), and Iceland (March 11); a balance-of-payments agreement with Belgium (March 16); and an expansion of the 1947 Anglo-Polish economic and financial agreement. It was also announced that discussions were being held regarding the financing of British imports from Canada after April 1. The Soviet Union also announced trade agreements with Egypt (March 3), providing for imports of Egyptian cotton on a barter basis, and with Switzerland (March 23), of a more general character.

4. International Organization in the Field of Services

a) Merchant Shipping

International Maritime Organization

A convention creating a consultative maritime organization was signed in Geneva on March 6 by 18 nations, including the United States, Great Britain, France, the Netherlands, Poland, and Finland. The other Scandinavian countries are expected to adhere to the pact shortly. Panama had been at the conference but announced withdrawal on March 1 because of the "systematic failure [by the conference] to recognize the maritime rights and interests of Panama."

The convention provides for an assembly of all member governments which will meet in London every two years, a self-perpetuating council of 16 members (in which most of the power rests), and a 14-nation maritime safety committee. Until the convention comes into force, after ratification by 21 nations (seven with more than one million tons of shipping), the council will act as an interim commission. The organization will be brought into relationship with the United Nations.

C. SOCIAL POLICY

1. International Social Co-operation

World Health Organization

The formal ratification of the Constitution of the World Health Organization by the Soviet Union was announced on March 25. That country

became the 24th member of the United Nations to take such action, following Greece by about a week. The first World Health Assembly is scheduled to open in Geneva on June 24. However, the bill authorizing U. S. membership in the WHO has been tabled indefinitely by the House of Representatives Rules Committee. The United States share of the agency's budget has been set as \$2 million for its first year of operation, or 39.86 per cent of the total. Without American participation, it has been estimated that the present funds of the organization will last only until October 1948.

2. Displaced Persons

U. S. Legislation

The Senate Judiciary Committee on March 1 approved a bill permitting the annual entry into the United States of 50,000 displaced persons during the next two fiscal years. However, so many qualifications were placed on the potential immigrants (including provisions that at least half must come from a country that had "been annexed by a foreign power" and must possess agricultural experience which they plan to use in the United States) as to make the bill seem impossible of administration. A bipartisan drive to liberalize these restrictions and to increase the quota was begun in the Senate. In the House, Representative Stratton, author of a measure to admit 100,000 refugees annually for four years, said he was encouraged by the Senate Committee's action and was "very hopeful" that the House Judiciary Committee would also act on a bill.

International Refugee Organization

The membership ratification of Argentina in the International Refugee Organization was announced on March 18. Only one further ratification is required for the establishment of the IRO on a permanent basis. The adherence of Argentina increases contributions to the operational budget to 76.74 per cent, more than the 75 per cent required for establishment of the Organization.

III. POLITICAL PROBLEMS

The basis for future action by the United States in international political affairs was clearly stated by President Truman in his special message to the Congress on March 17. The President declared:

"I believe that we have reached a point at which the position of the United States should be made unmistakably clear.

"The principles and purposes expressed in the Charter of the United Nations continue to represent our hope for the eventual establishment of the rule of law in international affairs. The Charter constitutes the basic expression of the code of international ethics to which this country is dedicated. We cannot, however, close our eyes to the harsh fact that through obstruction and even defiance on the part of one nation, this great dream has not yet become a full reality.

"It is necessary, therefore, that we take additional measures to supplement the work of the United Nations and to support its aims. There are times in world history when it is far wiser to act than to hesitate. There is some risk involved in action--there always is. But there is far more risk in failure to act. For if we act wisely now, we shall strengthen the powerful forces for freedom, justice and peace which are represented by the United Nations and the free nations of the world. ..."

At a later point in his message, the President also affirmed that:

"We in the United States remain determined to seek, by every possible means, a just and honorable basis for the settlement of international issues. We shall continue to give our strong allegiance to the United Nations as the principal means for international security based on law, not on force. We shall remain ready and anxious to join with all nations--I repeat, with all nations--in every possible effort to reach international understanding and agreement.

"The door has never been closed, nor will it ever be closed, to the Soviet Union or any other nation which will genuinely cooperate in preserving the peace. At the same time, we must not be confused about the central issue which confronts the world today. The time has come when the free men and women of the world must face the threat to their liberty squarely and courageously. ..."

A. POLITICAL INDEPENDENCE AND FREE INSTITUTIONS

1. France

French Rearmament Plans

The War Minister on March 2 informed the Popular Republican party group of the Assembly that, in view of the present international situation,

France had to maintain an army of at least 600,000. He pointed out that this necessitated the extension of the period of military service from one year to 18 months. The plan was submitted to the Cabinet.

Communist deputies in the National Assembly on March 19 opposed a measure providing for two-month interim military credits to purchase equipment for the French armed forces from the United States and Great Britain. The Minister of the Armed Forces spoke in favor of the government policy of curtailing manufacture of munitions in the hope of obtaining such arms and equipment from the United States. He said, "it is better for France to buy from abroad the munitions she needs rather than to be deprived of munitions. We did not refuse arms from the United States and Britain in 1943." Opposing the government a communist deputy declared it to be "pure treason to leave to others the duty of assuring France's security." He added: "The pro-American policies of the government impose on France an army swollen in numbers--an army consisting largely of land forces, armed with submachine guns and tear gas." The bill, however, was passed by a vote of 418 to 183 (the entire communist group). On the 20th, the National Assembly recessed until April 20.

Economic and Monetary Reforms

The National Assembly voted on March 4 to debate proposals to revise the anti-inflation bill on which Premier Schuman had said he would stake the existence of his government. The Premier was upheld by the Assembly on the 6th by a vote of 301 to 285. Although debate continued on the Schuman economic program, there appeared to be no further question of a vote of confidence at that time. On the 12th, however, further evidence of economic unrest was given in the calling of a forty-eight-hour "warning strike" in the coal fields of northern France. Increased wages, larger supplies of food, and better representation for miners on the administrative boards of the nationalized mining industry were some of the demands made by the communist-led group. By the 13th, the mining strike appeared largely averted.

Leftists stepped up their demands on the Schuman government on March 18 when the communist-dominated Confédération Générale du Travail demanded a 20 per cent increase in wages to meet an alleged equal increase in living costs since December 1, 1947. The Confédération condemned the government efforts to drive down prices, calling them a failure, and stating that Schuman had not acted on industrial prices--some of which had risen as much as 100 per cent.

2. Italy

Pre-Election Activity

Italy was concerned in March largely with the scheduled April 18 election--that would determine if it were to remain a free country or become a part of the bloc of communist-dominated nations of Europe. The Christian Democratic party issued a pre-election manifesto, made public on the 5th, in which it commented: "Recent tragic experiences in Eastern European countries show that where Communists get into power, they throw off their mask,

political 'fronts' are broken, all parties, without exception, are suppressed, and freedom dies." The manifesto asserted, also, that "the choice today is between an inhuman totalitarianism and a human conception of political life. The choice is between Bolshevik totalitarianism and sincerely democratic parties."

On the 6th left-wing Socialist leader Pietro Nenni, addressing 10,000 Communist sympathizers in Rome, attacked the de Gasperi party for accepting support from the Catholic Church and for introducing religion in politics. The Pope on the 10th reiterated instructions to the parish priests of Rome that, "in this grave moment," their followers should be advised to vote only for candidates of parties that offer a guarantee that the existence and mission of the Church will not be threatened. Both Premier de Gasperi and Communist leader Togliatti made many speeches throughout Italy in efforts to win voters to their respective forces.

Statements by Italian Communists during the month that American aid to Italy would continue even if the Communists should be successful in the coming elections were refuted by Secretary of State Marshall on March 19, when he declared:

"If they [the Italians] choose to vote into power a government in which the dominant political force would be a party whose hostility to this [European Recovery] Program has been frequently, publicly and emphatically proclaimed, this could only be considered as evidence of the desire of that country to dissociate itself from the program. This government would have to conclude that Italy had removed itself from the benefits of the European Recovery Program."

The Anglo-French-American proposal, made on the 20th, that the Free Territory of Trieste be returned to Italy was widely viewed as a move that might considerably influence the outcome of the election. This proposal is treated in detail earlier in this issue of this Summary.

A nation-wide printers' strike, ordered by the communist-directed Union of Typographers, began on March 22, and forced the closing of all daily newspapers in Italy. It affected more than 100,000 workers. This action was taken just after the three-power proposal to return Trieste to Italy, and was an attempt to prevent the Italian people from learning of the offer. However, later in the day, an announcement was made that the strike would be continued only in those establishments that refused to open negotiations for a wage increase on the workers' conditions. Broadcasting of news continued without interruption.

Pre-election disorders in Milan resulted in the killing of two Communists on the 29th. Both rightists and leftists were reported injured in incidents in other parts of the country. The Premier defied threats of the Communists to use force if positions in the government were denied to them after the election. He said that "if it is a question of force, the force is in the hands of the government," but explained that his government had no intention of using strong-arm methods unless no other course was open.

U. S. Transfer of Ships

The United States Government on March 16 transferred 29 merchant ships to Italy. President Truman signed an executive order, authorized by the legislature, restoring to Italy 14 ships seized during World War II and giving it 15 other Liberty ships. The President said that he was "happy to express again the feeling of friendship and admiration of the American people for the Italian people." A White House statement issued separately pointed out that "these vessels represent a substantial increase in the size of the present Italian merchant fleet and are expected to help materially toward rebuilding Italy's economy and reducing her dollar exchange deficit."

3. Greece

Communist-Led Guerrilla Warfare

Reports during the month from various fighting areas indicated marked progress by the Army forces. The arrest, by security police, of a number of persons charged with being fifth columnists was also announced. On the 4th, the Minister of War said that a "broad communist plan" had been uncovered for "provocative" attacks against the Soviet and Yugoslav Legation buildings in Athens--designed to arouse official reaction against Greece by the Soviet Union and Yugoslavia.

At the close of the first week of March, Greek Army troops announced the capture of Kakavi, a key border town on the Greek-Albanian front. It was said to mark a major gain in the Epirus campaign which had been under way since late February. In western Macedonia, guerrilla attacks, entailing intense fighting, took place. A spokesman for the U. S. Department of State, on the 19th, stated that the Department "was not in a position to comment" on reports that an international brigade of 30,000 men had gathered along Greek borders.

On the same day (19th) it was learned that the Greek Government had ordered the evacuation of children from northern Greece--the main battleground in the civil war. Senior Greek and U. S. Army officers were said to have mapped plans for "stepped-up" operations against the communist-led guerrillas. Toward the close of March (26th), Premier Themistocles Sophoulis declared that the rebel forces had lost so heavily in recent battles that he "anticipated" they would turn to terrorist methods of attack rather than large-scale operations in the future. Fighting in the Mount Olympus-Pierria area resulted in a decisive victory for the Greek Regular Army. It was held to be one of the most important yet achieved against the guerrillas.

Alleged Abduction of Children

Subcommittee One (set up on February 24) of the United Nations Special Committee on the Balkans decided on March 1 to examine certain complaints of frontier violations by both Greeks and Albanians.

At a meeting held on the 4th, the Special Committee undertook discussion of a Greek communication giving information on an alleged planned mass abduction of Greek children for indoctrination in Soviet satellite

states. It was reported that the kidnapped children would be sent to Poland, Czechoslovakia, and Hungary, as well as Rumania, Yugoslavia, Bulgaria, and Albania. Because of the seriousness of the charge, it was urged that the document be given "top priority." In an emergency meeting of Subcommittee One, following the full Special Committee session, it was decided to telegraph instructions to observation groups in the field to proceed immediately with an examination of the Greek complaint.

Two further Greek communications were introduced at an open meeting of the Special Committee on the 11th. These gave added facts on the alleged abductions. The following day, Secretary-General Trygve Lie transmitted to the Special Committee the text of a communication (March 11) addressed to the United Nations from Archbishop Damaskinos of Greece. The Archbishop stated that children had been taken from their parents by force purportedly to save them "from ill treatment on the part of Greco-American imperialism, but actually in order to use them as hostages, and in order to decrease the power of the Greek nationality." He pleaded that "every possible effort be made to prevent this crime, which does not only attack a nation but also the fundamental principles of humanity and religion."

The Greek Government ordered that all children be removed from northern Greece on the 19th. During the latter part of March, refugees were said to be pouring into Epirus from areas along the Albanian border held or threatened by rebel forces. Teams from the United Nations Special Committee on the Balkans were continuing their investigation of the reported kidnappings.

Foreign Minister Constantin Tsaldaris filed a formal complaint with the Secretary-General of the United Nations on March 28 against the abduction of Greek children. Tasaldaris said the mass kidnappings by the guerrilla forces of Gen. Markos Vafiades had "increased in intensity and in horror until there now has been loosed a reign of terror so calculatingly cruel as to challenge description." The 1,300 children so far reported to have been seized, he continued, "are said to be only the vanguard of the 60,000 destined for orphanages" in Cominform countries.

Albanian Complaints of Border Violations

The Secretary General of the United Nations received on March 10 a cable from the Deputy Foreign Minister of Albania containing what was termed a record of 15 cases of "Greek provocations committed against Albania" between February 29 and March 3. Seventeen further "cases" (March 5-11) were communicated by the same government on the 13th; and 11 additional (March 16-19) on the 23rd. The last complaint constituted the ninth of a series of Albanian charges against Greece. All were largely concerned with the alleged flight of unidentified planes, the penetration by Greek soldiers into Albanian territory, and shooting attacks along the frontier.

4 States in the Soviet Orbit

Soviet tactics and methods in Eastern Europe were strongly condemned by President Truman in his special message to the Congress on March 17. In this connection, the President said:

"Since the close of hostilities, the Soviet Union and its agents have destroyed the independence and democratic character of a whole series of nations in Eastern and Central Europe. It is this ruthless course of action, and the clear design to extend it to the remaining free nations of Europe, that have brought about the critical situation in Europe today.

"The tragic death of the Republic of Czechoslovakia has sent a shock throughout the civilized world. Now pressure is being brought to bear on Finland, to the hazard of the entire Scandinavian peninsula. Greece is under direct military attack from rebels actively supported by her Communist dominated neighbors. In Italy, a determined and aggressive effort is being made by a Communist minority to take control of that country. The methods vary, but the pattern is all too clear. ..."

Anti-Communist Activities in Scandinavia

During March there were evidences of increased tension in the Scandinavian countries. On the 15th the Swedish Defense Staff asked the King for measures to strengthen the military preparedness of the country, stating: "Evidently the Soviet Union is very consistently working to weld together its own security system in Eastern Europe. ... Contradictions between the East and West do not seem to diminish, but on the contrary to be gradually aggravated." However, the Defense Staff added that it did not believe "a general conflict to be imminent, as the Western Powers are hardly prepared and Russia probably is still too weak."

The Norwegian Parliament on March 16 approved a special appropriation to hasten the strengthening of defenses in its country, a measure opposed by communist members of the legislature. On the 18th, the Danish Finance Minister, speaking at a Social Democrat rally, called for rearmament, explaining that "Danish defense must be expanded ... and powers that might have ideas that they could overthrow the government by coup in Denmark shall know beforehand that they will experience" no success.

The Premiers of Sweden, Norway, and Denmark, speaking at a meeting in Stockholm on the 18th, reaffirmed their decision to defend the freedom of their states against outside aggression. They all deplored "fear of a new war" and pledged their support of the European Recovery Program. The Swedish Premier promised that "the fight against Swedish Communists will become part of the guarding of liberty and independence in Sweden." The British Foreign Office supported the stand of the three Scandinavian Premiers, saying: "We welcome their awareness of the attitude of the Communist party and its implications, and of communism generally."

The Norwegian Foreign Minister, indicating projected economic as well as political co-operation between the Scandinavian countries, announced that an economic conference of these states, including Iceland, would open in Copenhagen in April despite objections from certain quarters. He explained: "When Norway, Sweden, Denmark, and Iceland decided to hold this conference, it became immediately apparent that certain outside sources did not wish it to be held. It was erroneously reported that this conference would discuss military co-operation. Nobody in the countries scheduled

to confer sees any reason why any economic conference should not be held. Co-operation among these countries is traditional."

As Finnish-Soviet treaty talks continued in Moscow, Soviet sources took notice of developments in the other Scandinavian countries. Izvestia said on March 27 that the Norwegian Government Rightists were "selling out Norway to the United States." Speaking of alleged Norwegian military collaboration with the United States, it continued: "the War Departments of Norway, the United States, and Britain, in obvious preparation for a Western Union, have agreed on far-reaching measures such as the standardization of Norwegian armaments according to the American pattern and the leasing of Norwegian territory for American and British bases."

The following day (28th) Red Star and Red Fleet, organs of the Soviet Army and Navy, accused Sweden of planning to build bases for United States planes and parachute troops on Swedish territory. The Navy newspaper said that the Swedish Commander-in-Chief was attempting to plan the "use of Swedish armed forces as an appendage of the American military machine and to subject the foreign policy of Sweden to the expansionist ambitions of the United States in northern Europe." On the 29th, the Swedish Defense Minister denied the charges that United States bases were being planned in Sweden.

a) Albania

Corfu Channel Case

On March 2, the Legal Adviser to the British Foreign Office concluded the presentation of his country's plea in the hearings before the International Court of Justice on the Corfu Channel case. The British case was largely based on an interpretation of the United Nations Charter. The argument was advanced that Article 25 (in which members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the Charter) applied to Chapters VI (Pacific Settlement of Disputes) and VII (Action with Respect to Threats to the Peace). It was further stated that the British view was that the Security Council regarded its recommendation that the two parties submit the case to the International Court as binding in principle on those who agreed to abide by the Charter. The Court adjourned on the 5th to deliberate on Albania's claim that the unilateral British application for compensation was inadmissible.

On the 26th, the Court by a vote of 15 to 1 rejected the Albanian claim. Just before the judgment was announced, the two disputants agreed to submit the case to the Court. This agreement provided for the filing of an Albanian memorial by June 15, a British reply by August 2, and an Albanian answer by September 20. After that time the Court will proceed to hear the case.

b) Bulgaria

Soviet-Bulgarian Mutual Assistance Pact

On March 18 the People's Republic of Bulgaria and the Union of Soviet Socialist Republics signed a twenty-year treaty of friendship, col-

laboration and mutual assistance. The preamble of the agreement stressed that the treaty would not only lead to friendlier relations between the two countries, but would be "the best means of furthering their economic development" and would fulfill their desire to "co-operate in the interest of universal peace and security, in accordance with the aims and principles of the United Nations."

The principal section of the pact, Article 2, reads in part: "In the event of one of the high contracting parties being drawn into military action against a Germany trying to resume her aggressive policy, or with any other State which directly or in any other form would be united with Germany in a policy of aggression, the other high contracting party will at once give military and any other aid, in accordance with the means at her disposal, to the high contracting party involved in military action. . . ."

In a speech following the initialing, Soviet Foreign Minister Molotov said that the agreement was founded on the principle of respect for national independence and sovereignty and was aimed at preventing German aggression. He concluded: "It is understandable that the Soviet Union, which bore the heavy burden of fascist invasion, welcomes with special satisfaction every new step on the road to prevention of war and every preparation for a rebuff of possible new attempts at imperialist aggression."

The Bulgarian Premier, Georgi Dimitrov, on his return to Sofia said: "Through this treaty, our people become not only friends but also true and devoted allies of the Soviet Union." He added that, despite war alarms in the United States, "in Moscow and the Soviet Union, there reigns complete confidence in the forces of the Russian people, who are devoting themselves entirely to peaceful work."

c) Czechoslovakia

Communist Version of Seizure of Power

The official organ of the Information Bureau of the Communist parties in Belgrade carried an article on March 1 which attempted the following explanation of the Communist seizure of power during February:

"The powerful mass movement in Czechoslovakia against the recent attempt of home and foreign reaction to bring about a coup d'état, demonstrated the ability of the people to safeguard their national independence and to deliver a crushing blow against home-bred reaction and its imperialist patrons. Immediately after the reactionary ministers handed in their resignation, trying thereby to provoke a government crisis and prepare the ground for a putsch, the masses took to the streets in organized fashion and insisted on accepting the resignation of the 12 ministers, the leaders of the National-Socialist, People's and Slovak Democratic parties. The demonstrations spread all over the country. . . . During those decisive days for the future of Czechoslovakia the creative initiative and might of the popular masses, who rallied around the Communist party, were demonstrated in striking fashion.

"... From the very outset the Communist party came forward as the genuine leader and organizer of the popular movement. Unity of action between the Communists and honest Socialists was effected in the course of the struggle. ... The popular movement is being joined by all Czechs and Slovaks to whom liberty, democracy and national independence are dear. ... The Communist party intends to secure the realization of the full program of the new National Front. It calls the people to constructive labor and to observe vigilance against the likelihood of new maneuvers of reaction."

Tightening of Communist Rule

Following upon the February communist seizure of the country, the purging of all noncommunist societies and organizations within Czechoslovakia intensified during March. University professors were replaced, students arrested, and measures taken by the Gottwald regime to restrict higher education to those loyal to the communist-dominated government. Many victims of the purge (from both public and private life) were assigned to work in mines, quarries, foundries, and lumber camps.

Much control was exercised through the formation of action committees in "every town and village." These committees "became the authoritative organs of the united people and formed the base of the regenerated National Front." They immediately undertook the removal from the administrative apparatus and political organization of "reactionaries and traitors." In addition, they supervised the enforcement of measures outlined by the Trade Union Congress.

Early in the month a nationalization bill was prepared by the Communists for submission to the National Assembly. It provides for the acquisition by the state of all enterprises employing over 50 persons. It further specifies that all foreign trade, both export and import, will be managed by the government. In connection with the complete nationalization of foreign trade, the Foreign Trade Minister said on March 6:

"The new organization will be of considerable advantage to our foreign suppliers and customers who were formerly obliged to deal with a large number of concerns, not all of which were invariably reliable. Following this reorganization our trade partners abroad will be able to be certain that they are dealing with entirely trustworthy and reliable partners. This reorganization will not ... have any effect upon the structure of foreign trade, which will remain fundamentally unchanged."

The formal organization of the National Front was announced on the 6th with a communist deputy as chairman, and the secretary general of the Social Democratic party as alternate. The Roman Catholic Church recognized the new government on the 9th, and stated: "We shall faithfully fulfill our duties to God, the Church, the nation, and the State." Several days earlier (3rd), the Czech Orthodox Church issued a proclamation wherein they "joyously" welcomed "the strengthening of our people's democracy, which is a guarantee of a happy future both for the State and the Church." On the 11th, the Gottwald cabinet received a unanimous vote of confidence from the Parliament, the deputies present numbering 230.

March 10 brought the announcement that Jan Masaryk, the non-partisan Foreign Minister, had allegedly committed suicide that morning. In an official statement to Parliament, the Minister of the Interior attributed Masaryk's suicide to despondency over criticism he had received from abroad for remaining in the Cabinet after the Communist coup d'état. At the funeral of the late Foreign Minister (13th), Premier Gottwald said:

"... The press in the Western countries started an organized campaign against Jan Masaryk. Whoever knew the character of Jan Masaryk knew that he was sensitive to attacks. Everyone must understand how difficult it would be for Jan Masaryk to resist a concentrated attack on his feelings and his nerves. Add to this his illness, and both factors drove him to his tragic end.

"I can prove that Jan Masaryk clearly and without compromise started to fulfill the government program within his sphere of influence. I can prove that Jan Masaryk, when he decided to go with the people, when he stood on the crossroads of our national fate, meant what he said. ..."

On March 19, after two days of debate, political leaders appointed Vladimir Clementis as Foreign Minister to succeed the late Jan Masaryk. Earlier in the month, Clementis had attacked United States foreign policy and said that "the policy of the Soviet Union and its allies is our policy." It had been suggested that Zdenek Fierlinger, former premier and chief of the Social Democratic party might receive the appointment. However, Fierlinger was reinstated as president of that party on the 18th. In resigning, Fierlinger's predecessor in office explained that the policy of the party must be that of co-operation with the Communists.

It was officially announced on the 25th that parliamentary elections would take place on May 23. Premier Gottwald declared that the elections would be held in the manner specified by law, which provides for competition between parties. Earlier (the 22nd) the Minister of the Interior, at a meeting of the Communist party, said:

"In preparation for the elections there are new voting regulations before the national Parliament. Those will be disenfranchised who collaborated with the Germans or traitors, and further those who after the revolution opposed the interests of the Republic and the people's democracy. Such people will not and must not have any influence in our political conditions and on the process of government. This will be an especially important task of the action committees. Our elections will be truly democratic. We are sure that the nation will broaden and strengthen our position."

The Central National Action Committee on the 31st issued a decree defining the various crimes for which persons could be expelled from public life. Opposing the "people's democratic regime," spreading "untrue" rumors, listening to broadcasts "inimical" to the government, and trying to bring about an economic collapse were among offenses listed. The proclamation read in part: "The most important aspect of this announcement is that it makes public life more moral. This means that the renewed National Front

rings the death knell of the public activity of those double-faced people who cared nothing for their honor and to whom politics was only a means of exploitation." It concluded: "We do not desire revenge but we do not permit enemies of the people's democracy to raise their voices in our public life. ... In this way the National Front protects the morals of the nation—not only with words but with deeds."

Charges Brought Before U.N. Security Council

The chief Czechoslovakian delegate to the United Nations, Dr. Jan Papanek, appealed to the Security Council on March 10 for an investigation of the coup d'état in Czechoslovakia. Papanek, who had received his appointment prior to the Communist move, said: "... I feel that I can no longer postpone action without failing to do my duty to my country.... . And I take recourse to the provision of the Charter of the United Nations in a specific situation, a situation in which one member of the United Nations has violated the independence of another." He continued: "The Government of the Czechoslovak Republic ... had been undermined and openly placed in jeopardy on February 22, 1948 through force by a Communist minority. This Communist minority was encouraged and given promise of help ... by the representatives of the Government of the Union of Soviet Socialist Republics who came to Prague for that purpose... ."

U. N. Secretary-General Trygve Lie, after a conference with his advisers, said that Papanek's complaint could not be presented to the Security Council for discussion because it was a "nongovernmental" communication. However, two days later (the 12th) the Chilean Government brought a formal complaint against the Soviet Union. The Czechoslovak delegate's charges were upheld, and it was pointed out that "if the facts referred to in the accusation [by Papanek] were true, as everything seems to indicate... it would indicate...that world peace and security are in imminent danger, because of an international action contrary to the Charter... ."

On March 13 the Czechoslovak Government notified the United Nations that Papanek had been dismissed as permanent delegate to the organization. Two days later a new delegate, Dr. Vladimir Houdek, presented his credentials--which were accepted. Papanek, however, refused to recognize his dismissal since it was not signed by President Beneš of Czechoslovakia.

Over the protest of the Soviet Union and the Ukraine, the Security Council (by a vote of 9 to 2) placed the Czechoslovak question on its agenda. Soviet Delegate Gromyko strenuously objected and said that "the consideration of the Chilean complaint would be a gross intervention by the Security Council in the internal affairs of Czechoslovakia... ."

U. S. Delegate Austin, however, said he wished "to give these charges a hearing—all of them." He summarized the issue in the following words:

"Here we have charges made in a formal complaint which are grave and which involve two members of the United Nations, and now we have countercharges. Briefly, the item involves this issue: On its face, the Chilean complaint, by reference to Mr. Papanek's communication,

alleges that the political independence of Czechoslovakia ... has been violated by a threat of the use of force by ... the Soviet Union.

"It further refers to a statement in that communication that the Czechoslovak coup was effectuated successfully only because of official participation of representatives of the Soviet Union and threat of use of military forces of the Soviet Union in readiness along northwestern boundaries of Czechoslovakia. ... If these allegations are true, the matter clearly would not be essentially within the jurisdiction of Czechoslovakia because it would be a situation resulting from illegal action by one member against another. Secondly, the Security Council, in order to be able to determine whether the case comes within the meaning of provisions of the Charter, must consider the Chilean complaint.... ."

On March 20, the new Czechoslovak Foreign Minister stated in Prague that he "was ashamed that such an organization as the Security Council was forced to consider this matter. I think that the real initiators of this stage play will be ashamed in the end."

Formal discussion of the Czechoslovak subjugation opened on the 22nd. Despite the objections of the Soviet Union and the Ukraine, the Security Council agreed to allow Dr. Jan Papanek to testify. Papanek reiterated his previous charges and added that Czechoslovakia had been under Soviet pressure from the time of the United Nations conference in San Francisco. The Czechoslovakian Government, he further explained, had unanimously decided on July 7, 1947, to participate in the Paris conference (on the Marshall plan), but Premier Stalin ordered Premier Gottwald to withdraw. "The people of Czechoslovakia," Papanek said, "received this decision with great regret, sorrow, and even consternation. Is this not interference on the part of the Soviet Union in the affairs of the sovereign state of Czechoslovakia"? He continued:

"The coup d'état in Czechoslovakia, planned and executed though it was by Gottwald, Fierlinger and others, cannot be interpreted as [a]purely internal matter. The Communist party effected its coup ... under Soviet as well as Czechoslovak flags.... . Czechoslovakia today had a police rule, a terroristic police rule. No one is permitted even to think in any other way, except that which is ordered.... ."

Sir Alexander Cadogan, the British delegate, urged the Council to investigate the case. He pointed out that:

"Bland and bare denials are not, in this case, very convincing. We cannot be blind to what has been happening under our eyes during the past few years. Country after country on the confines of the Soviet Union has succumbed to the rule of a ruthless Communist minority. The events of 1939 to 1941, the succession of violent changes of attitude about the war made by Communist parties in every country in the world, proved that these parties took their orders from Moscow. The circumstances and the technique are always the same. We have seen in the same process of a highly organized minority seizing power, purging all the elements opposed to it, smothering all democratic rule, suppressing all normal liberties and establishing a police state on a uniform model.

"What happened this month in Czechoslovakia had happened before in Rumania, Bulgaria, Albania, Hungary, and Poland. In all these countries, in breach of solemn international pledges made at Yalta that free and democratic institutions would be established, all the parties but the Communist were gradually or suddenly wiped out. ...

"... There are limits beyond which this tide must not advance, and it must be dammed back. Almost everyone in the world must hope fervently that that can be done by peaceful means, but there is an undeniable risk that that hope may not be fulfilled. In judging this case we must be careful, scrupulous and objective, but above all we must be very careful that we be not too easily fooled."

The Ukrainian Delegate, Vassily A. Tarasenko, denied the charges brought against the Soviet Union and accused the United States of being "interested in the reactionary coup to be carried out in Czechoslovakia," which had failed. He said that those who were accusing the Soviet Union of intervention in the affairs of Czechoslovakia were "really concerned with misleading public opinion and diverting the attention of the public from other intervention" than that of the Soviet Union.

Enlarging on this, Tarasenko continued: "The United States and the United Kingdom are making great efforts to create a military bloc of Western European states directed against the Soviet Union and against the other democratic countries of Eastern Europe. For this reason, Czechoslovakia was important to them." The Ukrainian delegate went on to charge the United States with intervention in the internal affairs of Greece and Italy and asked: "Why did the representative of Chile not ask that the Security Council should look into the matter of United States interference into the internal affairs of Italy"?

The following day (23rd) Gromyko reiterated Tarasenko's charges against the United States and accused the Chilean Government of "playing a role of a puppet of financial and industrial kings from Wall Street." Austin answered that such charges had been heard before and that "they are unworthy of a detailed answer," adding that "the poor people of Czechoslovakia were not redeemed from bondage by being told that other peoples have suffered from indirect aggression."

The U. S. representative asked why the delegate of the present Czechoslovak Government was not in attendance at the discussion. "We would be glad to have information concerning the charges which have been made before us," Austin continued. "Do the inhabitants of Czechoslovakia welcome the domination of Russian-trained officials? Is every influential citizen of Czechoslovakia regarded as a traitor or as 'a person who betrayed his country,' solely because he deviates from the ideas of the present officials ruling the inhabitants? ... The Council deserves and should receive from the Czechoslovakian representative the fullest explanation with respect to the points which I have raised." He stressed that the Security Council could not "close its eyes" to the "grave charges" that had been made. Austin concluded:

"... The Council should realize ... that if these charges should be established they would constitute a case of indirect aggression. The

United Nations would then be called upon to develop effective collective measures designed for the preservation of the territorial integrity and political independence of states, however small."

The Czechoslovak Foreign Ministry on the 30th announced that it would not allow its delegate to participate in any discussion in the Council. To enter into such conversations, according to the Foreign Ministry, would be "beneath the dignity" of the regime. Furthermore, "it would ... be beneath the dignity of Czechoslovakia to take part in a discussion formally brought about by that Chilean Government which not long ago, under circumstances and for reasons which we do not now intend to go into, broke off diplomatic relations with Czechoslovakia in a manner which is not usual between decent and civilized nations."

On the same day (30th) the Council was asked to include in its investigation "aggression" by Communists against Yugoslavia, Albania, Bulgaria, Hungary, and Poland. In a letter to the president of the Security Council, the former Yugoslav Ambassador in Washington stated that "the communist aggression against Yugoslavia, if not as spectacular as the aggression against Czechoslovakia, was even more radical in violation of a solemn international engagement." Earlier in the month (21st) the same request had been made by exiled representatives of the Opposition in five Eastern European nations.

The following day (31st) Dr. Hernán Santa Cruz, the Chilean delegate, again charged the Soviet Union with aggression in the Eastern European countries. He reviewed events that had occurred in these states and declared that it "directly leads to the conclusion that what happened in Czechoslovakia is simply a link in the great chain with which the Soviet Union is aspiring to enslave the world." Dr. Hernán urged the Council to create a subcommittee to hear the testimony of six Czechoslovak democratic leaders who had fled their country after the Communist coup d'état. However, no formal resolution was introduced to implement this suggestion.

Dr. Houdek, the new Czechoslovak delegate, presented (31st) the United Nations Secretary-General with a letter from President Benes of Czechoslovakia, dated March 22, confirming the appointment of Houdek as representative of the Prague government, and recalling Papanek.

d) Finland

Proposed Finnish-Soviet Pact

In early March, President Paasikivi and his ministers began discussions of the Soviet proposal for the conclusion of a mutual defense pact. Concurrently various political parties made known their positions. On the 1st, the parliamentary group of the communist-dominated People's Democratic Union notified the President that it was in favor of the alliance. On the other hand, the Conservative party chairman said his group did not oppose a friendship treaty but believed that the "peace treaty with Russia includes enough military commitments for Finland to regard a military pact as neither necessary nor desirable." By the 2nd, the Communists had begun organized factory and trade union meetings and demonstrations. The strong Social

Democratic party (one of the three parties of the government bloc in the Parliament) issued a statement accusing the Finnish Communists of provoking unrest.

The majority of the Finnish Parliament by March 5 favored opening treaty discussions with the Soviet Union but opposed entering into a far-reaching military alliance. The Agrarian party, however, disapproved of any negotiations, stating: "if we agree to the talks, we automatically must agree to pacts such as Hungary and Rumania signed." On the 7th the first public meeting in Helsinki opposing discussions with the Soviet Union was dispersed by Communists and the police, which is controlled by the communist-dominated Ministry of the Interior.

The following day (8th), Paasikivi accepted the Soviet Union's proposal. The decision was made during a meeting of the Cabinet and announced in a communiqué that read: "The President of the Republic has today in the State Council decided to reply in the affirmative to the Soviet Government's proposal to enter into negotiations with a view to the conclusion of a pact of friendship and mutual assistance and to propose that these negotiations take place in Moscow." A seven-man delegation (including all government parties) was appointed to represent the Finnish Government in the Moscow talks. Prime Minister Pekkala, who was named chairman, was authorized to "sign any document possibly arising out of the negotiations."

In a broadcast on the 13th, the Prime Minister reassured his country that the Finnish Government would not sign any pact with the Soviet Union that might infringe on the Paris peace treaty or the country's sovereignty and constitution. Pekkala said that "the most delicate parts of foreign politics have become the fighting ground of undisciplined elements who conflict with responsible circles working on securing the independence and peace of our country." He also asserted that "the pact which Finland will sign will not cause any change in Finland's international relations and even less change in Finland's internal situation." The Prime Minister concluded: "It is obvious the president ... and the cabinet ... will act for the best of the country and in accordance with principles laid down in the constitution."

The Soviet newspaper Izvestia carried a Tass communiqué on March 14, acknowledging receipt of Paasikivi's acceptance of the Soviet Union's proposal for the negotiation of a treaty of friendship, collaboration and mutual assistance. Tass added that Premier Stalin in a letter (11th) to the Finnish President said that the Soviet Union was prepared to open negotiations on March 22.

The following day (15th) the Foreign Affairs Committee of the Finnish Diet began discussion of formal instructions for the treaty delegates to Moscow. Two days later (the 17th) it was said that Paasikivi's instructions to the delegation included objections to military clauses and that by virtue of these instructions the Finnish group hoped to gain the following concessions from the Soviet Government: (1) that Finland retain the right to invite Soviet armed forces across the border in the event of war or immediate danger thereof; (2) that no Soviet troops or instructors be assigned to Finland in peacetime and that Finnish personnel not be subject to service in the Soviet Union should that country become involved in

a war not concerning Finland; (3) that in time of peace, the equipment and maintenance of new bases and fortifications, which the Soviet Union may require in Finland, be the responsibility of only Finnish personnel; (4) that the agreement be only of 10 year duration.

The Foreign Affairs Committee received assurances that any agreement reached in Moscow would be submitted to it for approval. On the 20th the Finnish delegation departed for Moscow without its chairman, Premier Pekkala, who was ill. However, Pekkala joined the group on the 24th.

On the 22nd the President promised his people that parliamentary elections scheduled for July would not be delayed and that they "will be totally free and the will of the people will be the deciding factor." Conservative leaders voiced opposition to communist activities on March 27 and declared that any attempt to seize power would be suppressed.

"Well-informed sources" reported on the 31st that Finland had rejected a Soviet proposal to allow that country the right to decide when its troops should enter Finland in case of aggression. Army units guarding public property were issued weapons in anticipation of communist demonstrations to force Finnish acquiescence.

e) Hungary

Merger of Social Democratic and Communist Parties

On March 8, at its annual congress, the communist-dominated Social Democratic party unanimously resolved to merge with the Communist party. A twenty-one-member executive board was elected to effect the fusion. Arpad Szakasits, Deputy Premier and party secretary, said that "only domestic and international developments and not pressure influenced the party to offer a merger to the Communists."

Nationalization Measures

On March 25 the Hungarian Cabinet passed a bill nationalizing all industrial enterprises employing over 100 persons. At the same session another measure was passed providing for the nationalization on May 15 of all economic and commercial undertakings owned by political parties, except printing offices serving party purposes.

f) Poland

Increasing Communist Control

Communist control of the government steadily tightened as a Socialist cabinet minister (also president of the Central Planning Board) was allegedly dismissed on March 12. The Communists charged that his economic plan for 1948 was too reactionary. The program provided for the balancing of the production of consumer and investment goods to immediately raise living standards. The Communists insisted instead on increases in heavy industry and in production goods, and only a broad pledge on betterment of the standard of living. Later in the month (21st) the government announced that the

cabinet minister had resigned and that another Socialist had taken his place.

On March 18, Joseph Cyrankiewicz, Prime Minister and secretary-general of the Socialist party, asserted that the Socialists and Communists would merge into a single party within a few months. He said it was necessary to unite the Leftist forces against the right-wing Socialists, who had "capitulated before American capital." Poland, he continued, must be strengthened "for the great international battle for revolution and Socialism awaiting us."

Two days later, the secretary-general of the Communist party, Wladyslaw Gomulka, commenting on the forthcoming fusion of the two groups, demanded a preliminary purge of "all bourgeois liberal weeds" in the Socialist party. He indicated that the combined Workers' party (Communist party) would not admit any Socialist who still believed in social democracy. On the 23rd, a member of the Socialist political bureau formally announced the severance of ties between the Polish Socialist party and the international Socialist movement.

A few days later (28th) it was made known that the left-wing leaders of the Polish Peasant party, formerly headed by Stanislaw Mikolajczyk, were completing negotiations to join with the communist-endorsed Peasant body known as the SL. Preparatory to this, a purge of Peasant leaders had been carried out over a period of two months. The merger is expected to take place within a few weeks.

g) Rumania

Nonrecognition of Abdication by King Michael

Before leaving for a visit to the United States, former King Michael of Rumania said in London on March 4 that he had signed the Act of Abdication under pressure. "This act was imposed on me by force by a government installed and maintained in power by a foreign country, a government utterly unrepresentative of the will of the Rumanian people." The former King further added: "The removal of the monarchy constitutes a new act of violence in the policy for the enslavement of Rumania. In these conditions I do not consider myself bound in any way by this act imposed upon me."

Draft Constitution Published

A new draft constitution published on March 6 provided for the nationalization of Rumania's mines, oil and mineral rights, transport, telegraph, telephone and radio services. Private property rights were retained, except for industries designated for nationalization. However, provision was made to enable the state to appropriate industrial property "when public interest demands."

The constitution guaranteed democratic rights of freedom of the press, speech, assembly, and demonstration only to those who were employed. While religious liberty was also guaranteed, religious groups no longer have the right to maintain their own schools--except for the training of

clergy. The draft constitution is to be submitted to the Constituent Assembly on April 6.

Elections to New National Assembly

An election for members of a new National Assembly was held in Rumania on March 28. Provisional figures announced on the 30th indicated that the communist-dominated Popular Democratic Front had received 90.8 per cent of the votes cast, and had thus won 405 seats in the Assembly. Seven seats were won by the Liberal party, headed by George Tătărescu, and two by the Democratic Peasant party.

h) Yugoslavia

U.N. Action on Gold Reserves Dispute

On March 4, the Economic Committee of the Economic and Social Council announced that the Council was not competent to consider Yugoslavia's charge that its economy had been damaged due to the freezing of its gold reserves by the United States. The decision was based (11 to 3, with the Soviet Union, Poland, and Byelorussia opposing, and 3 abstentions) on the grounds that Article 62 of the Charter, which sets forth the functions of the Council, provides only that it "may make recommendations to the General Assembly, to the members of the United Nations and to the specialized agencies concerned" in connection with international economic, social, cultural, educational, and health problems. The Council on the 9th accepted the Committee's recommendation despite the continued opposition of the Soviet Union and its satellites.

5. Iran

Soviet Charges against United States

The Soviet Union protested further against United States military activity in Iran in a note to the Iranian Government dated March 27. The contents, published the following day in the Soviet Embassy's information bulletin, were in reply to an Iranian Government note of February 5—which categorically rejected a Soviet protest made on January 31. Declaring that the Soviet Government did not "consider convincing" Iranian statements that American military advisers do not hold key posts, the statement continued:

"It is the Soviet view that these statements are without foundation, which is evident from the contents of an Iranian-American agreement of October 1947, which stipulates 'co-operation with the Iranian War Ministry and Iranian Army for the purpose of increasing the fighting capacity of the Iranian Army.' The facts mentioned in the Soviet note of January 31 show the American military advisers' role is one of leadership of the Iranian Army."

On March 29, the Iranian Government said that it had protested to Moscow, two days before the presentation of the latest Soviet note, against accusations of hostility by either Iran or the United States. The

government also pointed out the "independent and nationalistic policy of Iran."

6. Trans-Jordan

Anglo-Trans-Jordan Treaty of Alliance

Great Britain and Trans-Jordan signed a twenty-year treaty of alliance on March 15, replacing the 1946 pact which part of the Arab world considered equivalent to peacetime occupation by the British.

The new agreement limits the areas to be occupied by British forces in peacetime to the airfields of Amman and Mafraq. The earlier document contained no such restriction. However, Trans-Jordan will remain a virtual British military satellite, receiving annually a military subsidy of about \$8 million, and the services of British officers for its Arab Legion. A military annex provides that in case of war British troops may be stationed in Trans-Jordan, and that Great Britain will accord the same privileges to Trans-Jordan forces in Great Britain.

The Foreign Minister of Trans-Jordan said that the "new treaty puts our defense relations with Britain on a reciprocal instead of a one-sided basis. We recognize the value of Britain's friendship. However, our relationship to the Arab League comes first." He added that "Trans-Jordan's intention is to pursue a policy in harmony with the general line of policy of the Arab states. We stand 100 per cent by the Arab League's policy against Palestine partition, and in other important questions." The annex also provides for an Anglo-Trans-Jordan defense board, composed of equal numbers of officers from each state, to co-ordinate the defenses of the two. This board will decide whether British troops shall be stationed anywhere in Trans-Jordan other than at the two airfields mentioned in the treaty.

7. China

Surplus Property Contract

Secretary of State Marshall announced on March 10 that "under the contract of August 30, 1946, surplus property of an estimated value of \$500 million located on a large number of Pacific Islands was sold to the Chinese Government on a 'where is, as is,' basis, with the Chinese Government to take possession on the spot and arrange shipment to China." Title has passed on a large portion of this property, and the Secretary of State indicated that there was "no reason to anticipate that we will be unable to complete transfer of the remainder by June 30, 1948, the contract date for completion of the transfer."

Currency Stabilization Plan

In Nanking on the 12th, the State Council approved the allocation to the Central Bank of China of U. S. \$430 million worth of government assets as an additional reserve for the Chinese currency. The total sum included part of the assets of the China Textile Corporation, the China Merchants Navigation Company, the National Resources Commission, and about U. S. \$80 million from expected Japanese reparations. It was stated, on the 15th, that the Executive Yuan (Cabinet) was working out a concrete plan

for the use of state-controlled industrial assets as a "stabilizing reserve" for depreciating the currency.

Dairen Return Sought

The Chinese People's Political Council adopted a resolution on March 13 urging the Chinese Government to demand the return of Port Arthur and Dairen to China. It further stated that the government should appeal, if necessary, to the United Nations for restoration of the two areas as their continued occupation by Soviet forces constituted an "infringement of Chinese sovereignty and a menace to world peace."

Convening of First National Assembly

President Chiang Kai-shek called the first National Assembly to order on March 29, and termed the event "epoch-making ... in the whole history of China." Chiang asserted that "the Constitution promulgated last year is written in blood and tears because we have had to break through all kinds of opposition and to surmount all manners of difficulties in the course of its evolution." He added that China must therefore "look upon the Constitution as a most precious possession of ours and do whatever is necessary to remove such obstacles which may obstruct its successful enforcement." Speaking of the Communist party, the President said:

"... Unfortunately, in recent decades our nation has been beset with a succession of internal strifes and external aggression. First, there were the warlords. Later came the Japanese imperialists. Now the Chinese Communists are plotting to overthrow the Republic and to set up in its stead a mob tyranny. ... The Chinese Communists' real aim is to obstruct the fulfillment of constitutional democracy in China."

Chiang pointed out in conclusion: "At this juncture when our serious national crisis coincides with the beginning of constitutionalism, both the people and the constitutional government have unusually heavy responsibilities. It is my sincere hope that you ... will understand the real needs of our nation and faithfully give voice to the people's will and earnestly exercise such powers as are bestowed on you by the Constitution.... ."

On the opening day 1,629 delegates had registered, and the number was expected to reach 2,670 who had been duly elected—more than sufficient for the two-thirds quorum required by the Constitution. A deadlock in the seating of independent delegates was resolved on the 30th. About 150 Kuomintang members, elected without party sanction, relinquished their seats to members of the minority parties—Young China party and Democratic Socialists. The Assembly continued in session as March ended.

Progress of Civil War

At the beginning of the month some progress was reported in the government's attempt to reopen land communications between China proper and Mukden, which had been largely isolated by communist encirclement. However, communist forces had captured Yingkow (100 miles southwest of Mukden) and

were continuing heavy attacks on Szepingkai, Manchuria (100 miles northeast of Mukden). On the 12th of March, the picture worsened with the abandonment by nationalist troops of the important city of Kirin. On the same day an increased communist attack was made against the vital railway city of Loyang in western Honan. By mid-March it was said the Communists had struck out on all the major fronts of both North and Central China.

President Chiang Kai-shek convoked an extraordinary "Central China Pacification Conference" in Nanking on March 17. Declaring that the campaign against the Communists in central China had reached a decisive stage, the President, in a speech before the assembled military body, urged close political, economic, and military co-ordination. He said further, on the 18th, that "unless an all-out effort is made to turn the tide of war [in central China], the last reservoir of Kuomintang power faces complete collapse." His pessimism was believed due in part to government defeats in Manchuria, marked by the fall of the important cities of Szepingkai and Kirin.

The establishment of Central China Pacification Headquarters to cope with the communist threat was announced on the 20th. With headquarters to be set up at Hankow, the new body has jurisdiction over eight provinces. Military officers in charge are to place stress on the organization of local defense units, and the establishment of a blockade to prevent vital supplies from reaching communist hands.

A temporary lull in fighting in Manchuria had been reported, but on the 24th a serious communist offensive was again under way. Dispatches on the 29th indicated, however, that while fighting was taking place just 35 miles south of Mukden, the government forces had killed great numbers of the enemy. They were also credited with widening a new overland corridor from China proper to Mukden. The last day of March brought the announcement that three key Shantung peninsula ports were being evacuated by the Nationalists. A government military spokesman said the reason for this move was in order to "achieve greater concentration and mobility" against the Communists. The points relinquished were held to "no longer have strategic importance."

A communist radio broadcast from Nanking (31st) declared "the liberation of the northwest is not far off." It was intimated that the Communists were massing large forces for new assaults.

8. India - Pakistan

Indian White Paper on Kashmir

On March 4 the Government of India released a White Paper, the purpose of which was "to present factual information backed by the relevant documents on the Jammu-Kashmir case." The White Paper consisted of an introduction describing the territories involved, and four parts, as follows: (1) events leading up to accession of Jammu and Kashmir State to India, (2) invasion of the State by raiders from Pakistani territory, (3) Pakistan's complicity in the invasion, and (4) India's objectives.

Kashmir Government Proclamation

Before the Security Council resumed consideration of the Kashmir question, its Maharajah issued a proclamation on the 5th announcing the formation of a popular interim government. Sheik Mohammed Abdullah, who had been head of the emergency administration and who had testified on behalf of the Indian Dominion before the Security Council, was selected as Prime Minister. Provision was made for a Council of Ministers to be appointed upon the advice of the Prime Minister. This body was directed, upon the restoration of normal conditions, to convene a national assembly--based on adult suffrage--to be composed of representatives from each voting area proportionate to population. The function of this assembly will be, according to the decree, to frame a constitution providing "adequate safeguards for the minorities" and containing "appropriate provisions guaranteeing freedom of conscience, freedom of speech, and freedom of assembly."

Security Council Action

The Security Council on the 8th reopened debate on the India-Pakistan issue, which had been in abeyance since February 26. Discussion was limited to the question of the status of Junagadh. The Indian delegate, who had returned from consultations with his government in New Delhi, told the group that he had asked for a delay on the February plebiscite, but that plans for such action had been too far advanced at the time of his request to permit postponement. He emphasized that India was willing to hold another plebiscite "under suitable auspices" if the Security Council so requested. The Pakistan representative again termed the voting conducted in Junagadh a "farce," and urged that the Council take up the matter "among themselves" now that the issues were clarified.

Before adjourning, the Council agreed to take up the Kashmir question on the 10th. However, even though the meeting was held according to schedule, debate ended in a deadlock after the two disputants had restated their arguments. India indicated its desire for speedy settlement, but remained firm in its refusal to withdraw troops from Kashmir before a plebiscite or to allow the establishment of an interim administration for such a purpose. The Pakistan delegate presented a formal complaint against India's action in allegedly arranging for the appointment of Abdullah as Premier of Kashmir. He called this action a "fait accompli" that would make the solution of the problem even more difficult.

At the March 18 meeting of the Security Council, its President, T. F. Tsiang, submitted--in the name of the Chinese delegation--a draft resolution on the settlement of the Kashmir question. Provision was made first for the "restoration of peace and order." It was suggested that Pakistan "use its best endeavors to secure the withdrawal from Jammu and Kashmir of intruding tribesmen and Pakistan nationals," and to prevent any further such intrusions. India was asked to withdraw progressively "such of its troops as are not required for the purposes of defense and security," and to avoid "any intimidation, or appearance of intimidation, to the inhabitants...."

The second part of the resolution set up a "Plebiscite Administration, with the sole and full authority to administer the plebiscite on the

question of the accession of the State." In the last section, it was recommended that the Security Council instruct its proposed mediation commission (authorized in a resolution of January 20) "to offer its good offices and mediation in the implementation" of this plan. The Indian and Pakistani delegates asked for time to study the resolution, and the Security Council set March 23 as the date for renewal of discussion on the resolution.

Changes in Political Groupings

The Moslem League of the Dominion of India voted on March 11 to continue its activities in Hindu India, but to devote itself primarily to the "religious, cultural, educational, and economic interests of Moslems" there. A change was also made in the composition of the predominantly Hindu Congress party, as on March 17 the national executive of the Socialist party of India decided to dissociate itself from the Congress party, and to work as an independent political group. The Socialists comprised about 30 per cent of the Congress party, from which all members were instructed to resign.

Unification of Small States

Secretary of the States Ministry of the Indian Dominion, V. P. Menon, a leader in the movement to unite the Princely States, announced on March 29 that--with the formation of the United States of Rajasthan a week earlier--the number of Indian States and estates which have been grouped into provinces or unions of states had reached 869, with a total population of more than 20 million. Menon declared that by the end of April the states and estates, each of varying degrees of political development, would be integrated into about 25 units of provincial dimensions. He added that there was no intention, however, to "exterminate" the princes.

Menon also announced that a series of letters had been exchanged between the Governments of India and Hyderabad, and that within a week or two the situations would be clarified, and negotiations might be resumed.

B. TREATMENT OF NON-SELF-GOVERNING PEOPLES

1. Indo-China

Return of Former Annamite Emperor Approved

The Government Information Office in Saigon announced French approval of a resolution of the local Annam Government requesting Bao Dai's return as "Emperor of Viet Nam in a constitutional monarchy," on March 12. The resolution also requested the former Emperor to negotiate with the French "to realize the aspirations of the Viet Name people for independence and national unity within the frame of Franco-Viet Name friendship."

2. Indonesia

Activities of Good Offices Committee

The Committee of Good Offices completed delineation of the "status quo line" on March 1, and effected an agreement between the Netherlands and

Indonesian delegates on the widening of the demilitarized zone in the Kemit area of south central Java. On the 4th, the security committee of the Netherlands-Indonesian conference, being held under the auspices of the Good Offices Committee, agreed on the establishment of a subcommittee to study the question of release of prisoners of war. In the course of the month other committees set up at the time of the Renville conversations commenced operations. Among these were the economic and financial and the social and administrative committees. The first considered technical questions involved in the resumption of economic intercourse across the "status quo line," and the second concerned itself in the main with the welfare of the nationals of each disputant now in the territory of the other.

At the end of the month, committees and subcommittees of the Good Offices Committee were continuing meetings in Batavia, leading toward a political settlement of the dispute. The republican delegation extended an invitation to the Committee and to the Netherlands delegation on March 25 to proceed to Jogjakarta on April 12. This date had been selected as the target date for the transfer of the conference to the republican capital. The invitation was accepted.

Installation of Interim Government

An Interim Federal Netherlands East Indies Government was formally installed in Batavia on March 9. The new regime comprises a president, Acting Governor General Hubertus J. van Mook, 11 secretaries of state (also heads of departments), two specially commissioned secretaries of state, army and navy commanders, and an attorney general. Of these, seven are Indonesians (nonrepublican) and nine are Dutch. The Republic has, however, indicated its willingness to take part in the interim government. Further, despite the Netherlands stand that political agreement through the Good Offices Committee must precede republican participation, conversations leading toward that end were opened on March 12 between van Mook and the Premier of the Indonesian Republic.

3. Palestine

Draft Statute for Jerusalem

The Trusteeship Council completed the second reading of the Draft Statute for the City of Jerusalem (made public on February 10) on the 4th. On March 10, the Council agreed to defer formal approval of the document--as well as the appointment of a governor for the City--until its next meeting. This session "will be held not later than one week before 29 April, the deadline for the approval of the Statute."

Security Council Action

The United States position on the Palestine question was reiterated and amplified by Warren Austin on March 2 in a statement to the Security Council wherein a Belgian amendment to the United States resolution of February 25 was opposed. The Belgian representative sought the elimination of the first paragraph of the American proposal which, if approved, would have placed the Security Council formally on record in support of the

General Assembly decision for partition. Belgium did not feel it was as yet the proper time for positive Council action as a step toward solving the conflict.

The United States draft resolution called for a committee of permanent Council members to consider the Palestine problem. It did not call for armed enforcement of the partition plan, Austin pointed out, because the United Nations Charter does not so authorize the use of force. It did, however, request the proposed five-nation committee to consider whether the situation constituted a threat to international peace. In defense of paragraph one, Austin stated: "A vote for this paragraph would be a vote for partition as a Palestine solution. The United States voted for that solution and still supports it. As we have stated before, the United States support the General Assembly plan for partition as the framework of implementation by pacific means."

The British delegate announced that his government would not participate in a five-nation committee, and further added that the date for terminating the British mandate (May 15) was "irrevocably" fixed. Soviet Delegate Gromyko, while agreeing to a Big Five discussion, objected to its being held on a formal basis. He took no stand either way on the issue of partition itself. On the 3rd, Canada, China, and Egypt joined Great Britain, Belgium, Syria, and Colombia in opposition to the United States resolution.

The Security Council, on the 5th, requested the five permanent members to consult together and report conclusions within 10 days regarding Palestine. The Council did not approve the United States resolution for formal acceptance of the partition plan as voted by the General Assembly, or that the five permanent members (Security Council) consider whether the Palestine situation constituted a threat to the peace, and if thought necessary, to recommend action under the provisions of the United Nations Charter. A paragraph recommending consultation with the U. N. Palestine Commission, British mandate authorities, the Jewish Agency, and the Arab Higher Committee in an effort to effect a peaceful conciliation of differences was likewise rejected.

However, an amended draft of the original United States resolution was adopted on the same day (5th) by a vote of 8 to 0, with 3 abstentions (Argentina, Syria, and the United Kingdom). The amendment suggested by Belgium to the American proposal was rejected. The text of the resolution as adopted follows:

"The Security Council, having received the resolution of the General Assembly of 29 November 1947, on Palestine, and having received from the United Nations Palestine Commission its First Monthly Report and its First Special Report on the Problem of Security in Palestine;

"Resolves to call on the permanent members of the Council to consult and to inform the Security Council regarding the situation with respect to Palestine and to make as the result of such consultations recommendations to it regarding the guidance and instructions which the Council might usefully give to the Palestine Commission with a view

of implementing the resolution of the General Assembly. The Security Council requests the permanent members to report to it on the results of their consultations within ten days.

"Appeals to all governments and peoples, particularly in and around Palestine, to take all possible action to prevent or reduce such disorders as are now occurring in Palestine."

On March 8, delegates of China, France, the Soviet Union, and the United States met to confer on the question--Great Britain, as announced earlier, did not participate in the talks. However, Sir Alexander Cadogan made known his availability to furnish any factual information the other four members might desire. On the 10th, U. S. Delegate Austin took exception to comments by a Soviet spokesman concerning issues being discussed informally among the four delegates. To a remark that the United States aimed at reopening the whole question by consultations with Palestine Jews and Arabs, Austin declared:

"The United States has noted with surprise the authorized quotation from a spokesman of the Soviet delegation at Lake Success. As a participant in the consultation authorized by the resolution [of March 5] ... I regret that the Soviet spokesman has sought to prejudge the issues before the process of consultation had got under way."

"As a representative of the United States on the Security Council, I can say that my government is interested in the facts and in a decision based upon them at the earliest possible date. We shall judge the issues when the consultation is completed."

On the following day (11th), Cadogan attended the major power talks and answered questions put to him. He reaffirmed that the date of May 15 for termination of the British mandate was "fixed." He said the partition plan would have to be supported by armed force. The British delegate also stated that his government would welcome agreement between Jews and Arabs, but added that inability to achieve such agreement was the reason the matter had been placed before the United Nations. At the same meeting, a list of 10 questions on the partition plan was addressed to the U. N. Palestine Commission. Answers to these questions by the Commission were given the next day. Also on the 12th, leaders of the Jewish Agency for Palestine presented a nine-point plan for implementation by the Security Council of the General Assembly resolution for partition of the Holy Land.

The delegates of China, France, and the United States invited (on the 12th) the Palestine Arab Higher Committee to attend the consultations on March 15. The British representative was not in attendance, while the Soviet delegate remained silent--the day before having declared he would take no part in any meeting attended by the Jewish Agency, the Arab Higher Committee or the Palestine Commission. An announcement by the Arab Higher Committee (15th), in reply to the three powers, pointed out that the Committee would not agree to any form of partition and would accept only a single independent Palestinian state. The meeting scheduled for the 15th was postponed for one day as the delegates were said to be not yet ready to report back to the Council. On the 18th, the conferees (exclusive of Great

Britain) were believed close to agreement on the report to be presented the next day.

On the morning of the 19th, Austin reported to the Security Council on the conclusions and recommendations reached by the four permanent members as a result of their consultations. The material being presented, he pointed out, had the agreement of China, France, and the United States. Austin further declared that the document was "only the beginning" as there were to be further consultations on the second portion of the March 5 resolution—with a view to meeting the timetable laid down in the General Assembly plan. The American representative then read the following statement:

"I. The consultations among the Permanent Members of the Security Council and informal communications with the Palestine Commission, the Mandatory Power, and Jewish Agency and the Arab Higher Committee held since March 5, 1948, have developed the following facts regarding the situation with respect to Palestine:

"1. The Jewish Agency accepts the partition plan, considers it to be the irreducible minimum acceptable to the Jews, and insists upon the implementation of the plan without modification.

"2. The Arab Higher Committee rejects any solution based on partition in any form ... [desiring] the formation of one independent state for the whole of Palestine ... based on democratic principles and [including] adequate safeguards for minorities and the safety of the Holy Places.

"3. No modification in the essentials of the partition plan are acceptable to the Jewish Agency and no modification would make the plan acceptable to the Arab Higher Committee.

"4. The Palestine Commission, the Mandatory Power, the Jewish Agency and the Arab Higher Committee have indicated that the partition plan cannot be implemented by peaceful means under present conditions.

"5. The Mandatory Power has confirmed that a considerable number of incursions of illegal arms and armed elements into Palestine have occurred by land and by sea.

"6. The gradual withdrawal of the military forces of the Mandatory Power will, in the absence of agreement, result in increasing violence and disorder in Palestine. Warfare of a guerrilla type grows more violent constantly.

"7. If the mandate is terminated prior to a peaceful solution of the problem, large-scale fighting between the two communities can be expected.

"II. As a result of the consultations ... the Permanent Members... find and report that a continuation of the infiltration into Palestine by land and by sea of groups and persons with the purpose of taking

part in violence would aggravate still further the situation, and recommend:

"(a) that the Security Council should make it clear to the parties and governments concerned that the Security Council is determined not to permit the existence of a threat to international peace in Palestine, and

"(b) that the Security Council should take further action by all means available to it to bring about the immediate cessation of violence and the restoration of peace and order in Palestine."

U. S. Trusteeship Proposal

On the afternoon of the 19th, in a surprise abandonment of the partition plan, Austin submitted to the Security Council a new United States proposal on the Palestine question. This proposal sought a temporary trusteeship for Palestine under the Trusteeship Council, a special session of the General Assembly to be called in the immediate future for this purpose, and a suspension of "efforts to implement the proposed partition." The U. S. delegate told the Council:

"During consultations of the past few weeks, the Palestine Commission was asked whether it had found sufficient acceptance of the partition plan on the part of Jews, Arabs, and the Mandatory Power to afford a basis for peaceful implementation. The commission's answer was no.

"The commission has repeated its view that it could not discharge its responsibilities on the termination of the mandate without the assistance of an adequate, non-Palestinian armed force for the preservation of law and order. The commission does not consider it possible to implement the plan by peaceful means, either as a whole or in substantial part so long as existing Arab resistance persists. ..."

Ambassador Austin declared that the plan proposed by the General Assembly was an integral plan which could not succeed unless each of its parts could be successfully carried out, and that had not proved to be the case. He continued:

"A unilateral decision by the United Kingdom to terminate the Palestine mandate cannot automatically commit the United Nations to responsibility for governing that country. ... On the facts reported by the permanent members, Palestine is a land falling under Chapter 11 of the United Nations Charter, a non-self-governing territory. ..."

"...my government believes that a temporary trusteeship for Palestine should be established under the Trusteeship Council of the United Nations to maintain the peace and to afford the Jews and Arabs of Palestine, who must live together, further opportunity to reach an agreement regarding the future government of that country. Such United Nations trusteeship, would, of course, be without prejudice to the character of the eventual political settlement, which we hope can be

achieved without long delay. In our opinion, the Security Council should recommend the establishment of such a trusteeship to the General Assembly and to the Mandatory Power. This would require an immediate special session of the General Assembly, which the Security Council might call under the terms of the Charter.

"Pending the meeting of the special session of the General Assembly, we believe that the Security Council should instruct the Palestine Commission to suspend its efforts to implement the proposed partition plan. ..."

Following Mr. Austin's presentation, Dr. Abba Hillel Silver, spokesman for the Jewish Agency, denounced the United States move to establish a temporary trusteeship as a "shocking reversal of its position. We are at an utter loss to understand the reason for this amazing reversal" which, he said, would likely lead to increased violence in the Holy Land and would "incalculably hurt" the prestige and authority of the United Nations "for whose effectiveness the President of the United States pleaded again as recently as Wednesday last."

Soviet Delegate Gromyko said the new proposal had nothing in common with the points on which the four permanent members had agreed during their consultations on the Palestine question--on which Mr. Austin had reported that morning. He stated that the Soviet Union "cannot accept this position. Certainly it cannot be said that there is general agreement as regards this proposition." China supported the United States suggestion, while the two other delegates remained silent on the issue.

Secretary of State Marshall released a statement on March 20 wherein he said in part:

"The position of the United States on Palestine was stated by Ambassador Austin in the Security Council on Friday.

"The course of action with respect to the Palestine question which was proposed yesterday by Ambassador Austin appeared to me, after the most careful consideration, to be the wisest course to follow. I recommended it to the President and he approved my recommendation. ..."

The Secretary of State pointed out that the "primary and overriding consideration" was the need to maintain peace and prevent chaos. He said the United States had supported the partition plan last autumn; that since that time every possibility of a peaceful implementation had been examined, without avail; and that, as we are faced with the prospect of United Kingdom abandonment of the mandate on May 15, a truce is essential. He concluded:

"The United States suggestion is [made] ... in order to maintain the peace and to open up the way to an agreed settlement. This trusteeship could be ended as soon as a peaceful solution can be found. ...

"The United States has repeatedly stated that we are seeking a solution for Palestine within the framework of the United Nations and that we are not going to act unilaterally in that matter. The proposal

for a temporary United Nations trusteeship, without prejudice to the ultimate solution, made by this government, is the only suggestion thus far presented which appears to offer any basis for action by the United Nations to meet the existing situation in Palestine."

The first authoritative comment from Great Britain on United States abandonment of the partition plan came on the 21st when a Foreign Office spokesman in London declared that his government intended to adhere to its decision to surrender the mandate over Palestine on May 15 and to withdraw its troops by August 1.

A report from Tel Aviv on the 22nd said that the Jewish Agency had that day decided to call the action committee of the World Zionist Organization to a special session in Palestine on April 4. It was planned the committee would undertake the drafting of a new policy in view of the United States trusteeship proposal. A member of the Agency said: "Although members of the Jewish Agency are unanimously for rejecting other schemes than independence, there are differences of opinion on timing."

The Security Council resumed discussion of the Palestine situation briefly on March 24, and then postponed further consideration of the subject until the 30th--thus delaying the move to call a special session of the General Assembly. At the meeting, the Egyptian delegate reiterated that the Arabs would not accept partition. Both France and Canada said they were not yet ready to support trusteeship "or any other course," until details could be decided upon.

President Truman issued a statement of United States policy toward Palestine on the 25th declaring it to be "vital" that the American people understand the government's position. He also suggested an immediate truce between Arabs and Jews pending United Nations action on the United States proposal for temporary trusteeship. He re-emphasized the words spoken several days earlier by the Secretary of State that the American Government had supported the plan for partition, but that it had become clear it could not be carried out at this time by peaceful means. The President continued:

"The United Kingdom has announced its firm intention to abandon its mandate ... on May 15. Unless emergency action is taken, there will be no public authority in Palestine on that date capable of preserving law and order. ... Large scale fighting among the people of [the Holy Land] will be the inevitable result. Such fighting would infect the entire Middle East and could lead to consequences of the gravest sort involving the peace of this nation and of the world.

"These dangers are imminent. Responsible governments in the United Nations cannot face this prospect without acting promptly to prevent it. ... The United States is prepared to lend every appropriate assistance to the United Nations in preventing bloodshed and in reaching a peaceful settlement. If the United Nations agrees to a temporary trusteeship, we must take our share of the necessary responsibility. Our regard for the United Nations, for the peace of the world and for our own self-interest does not permit us to do less.

"With such a truce and such a trusteeship, a peaceful settlement is yet possible; without them, open warfare is just over the horizon. American policy in this emergency period is based squarely upon the recognition of this inescapable fact."

Special General Assembly Session Urged

A British Foreign Office spokesman denied reports on the 27th that negotiations were under way with the American Government for a change in schedule on troop departures. "I am able to confirm that there has been no approach, formal or informal, by the United States with a view to retarding our departure."

When the Security Council met on March 30, U. S. Delegate Austin submitted two resolutions for action on the Palestine situation. One called for a Council meeting with Jewish and Arab representatives to arrange a truce, and called upon Arab and Jewish armed groups in Palestine to cease acts of violence immediately. The second called for a special session of the General Assembly to consider further the question of the future government of Palestine. In submitting the second resolution, Ambassador Austin said:

"It will be noted that this resolution does not mention trusteeship. The United States adheres to the view I stated in the Security Council on March 19, and which was reaffirmed by the Secretary of State on March 20, and again by the President of the United States on March 25, that a temporary trusteeship should be established to maintain the peace. This trusteeship would be without prejudice to the character of the final political settlement in Palestine. We believe that a trusteeship is essential to establish order, without which a peaceful solution of this problem cannot be found or put into effect.

"The exigencies of the time limits confronting the Security Council require prompt decision and issue of the call for a special session. This should not be delayed by debate over details of the temporary trusteeship. The United States is ready to offer and consider with other members of the Security Council proposals regarding such details while the necessary notice period is running."

Soviet Delegate Gromyko immediately voiced objection of the American proposals inasmuch as his government, he declared, considers the partition plan a "just solution" whose unworkability has not yet been proved. He also resisted the suggestion for a special session of the General Assembly, and further added that the United States desired trusteeship because "of their own oil interests and military-strategic positions in the Middle East." The Soviet representative stated further:

"It is beyond any doubt that the wrecking of the decision on partition would mean a serious blow upon the United Nations organization, and the responsibility for the blow rests fully on the United States.

"If still another proof is necessary that the ruling circles of the United States always ignore the United Nations when the interests of this organization do not coincide with the narrowly understood interests of one power, then the best proof is the policy of the United States on the Palestine question.

"It is necessary to point out that these proposals, not without reason, are considered as an attempt to convert Palestine into a military-strategic base of the United States and England under the pretext of maintaining order in that country."

Following Gromyko's remarks, the Council adjourned without voting on the two proposals.

Dr. Abba Hillel Silver, chairman of the American Section of the Jewish Agency, in a lengthy statement on the 31st urged adherence to the partition plan after declaring the latest United States proposals for a truce in the Holy Land to be wholly unsatisfactory and futile. Silver said that while partition "admittedly involves difficulties," these could "hardly compare with the accumulation of hazards ... involved in its abandonment." He raised the question of whether the United States "is prepared to send troops into Palestine to impose a trusteeship upon that country when it is unwilling to send troops to back up the United Nations decision on partition." Dr. Silver invited U. S. Delegate Austin to reply to his statement by April 7.

Arab League Action

The Foreign Ministers of the Arab countries met in Beirut, Lebanon, beginning on March 16 under the auspices of the Arab League in order to "organize a policy and plans according to the developments" of the Palestine question. On the opening day of the session (16th), Secretary General Abdul Rahman Azzam Pasha stated that "the Arabs still insist that they will not enter into discussions on the Palestine problem at Lake Success until partition is dropped."

The United States trusteeship proposal on the 19th was described by Azzam Pasha as "wonderful," and he proceeded to outline the Arab League's aspirations for an independent Arab Palestine in which the Jews would have "special minority rights and privileges regarding language, religion and culture." However, on the 25th, Haj Amin el-Husseini, the Mufti of Jerusalem (speaking as chairman of the Arab Higher Committee) rejected any form of trusteeship over Palestine as "another type of mandate." As all Arab League decisions pertaining to Palestine must be unanimous, it appeared improbable that the League itself would take an official stand on the trusteeship question as long as the Arab Higher Committee opposed it.

Ending an extended boycott of the United Nations, the Mufti on March 30 issued an "Arab charter for Palestine" which outlined Arab aims as "the establishment of a sovereign state with a constitution based on democratic principles" combined with a determination to prevent "the establishment of Jewish sovereignty over one inch of Palestine soil." The delegate to the United Nations from Syria, Faris el-Khoury, was asked to transmit the document formally to the Security Council.

UN Palestine Commission

The Palestine Commission on March 4 received a communication that its advance party had arrived in Jerusalem on the 3rd. The Commission, during the week, discussed problems relating to food supply for Palestine, urban property tax, and Palestinian currency. It decided, on the 8th, to report to the Security Council on the unwillingness of the Mandatory Power to allow preparatory steps to be undertaken for the formation of militia in the Jewish and Arab states prior to the termination of the mandate on May 15. On March 11, in submitting its second monthly report to the Council, the Commission emphasized that "Palestine is likely to suffer severely from administrative chaos and widespread strife and bloodshed" unless measures can be undertaken for security by the time the British leave the territory. The group continued, throughout the month, to study problems that would arise after May 15.

On March 31, acting on advice received from the head of the advance party in Jerusalem, the Palestine Commission decided to take "immediate steps" to set up a special police force. It was agreed to proceed with preliminary arrangements for the selection of a specialist who would immediately leave for the Holy Land in order to recruit and organize an interim force of 1,000 non-Palestinian police to preserve order following the mandate's termination. It was also decided to press forward plans for the establishment and functioning of a provisional government council for the proposed Jewish State in Palestine.

Internal Violence

The attack of February 29 on a British troop train elicited an official statement on the 1st of March by the British Palestine Government. The Jewish Agency for Palestine was accused of pursuing a "deliberate policy ... to render [the government's] task as difficult as possible." It warned that the "continuance of indiscriminate murder and condoned terrorism can lead only to forfeiture by the community of all right in the eyes of the world to be numbered among civilized peoples."

The Jewish Agency countered on the 2nd, charging that the Palestine Government was "in fact condoning Arab aggression against the Jewish community and the United Nations decision, and impeding and crippling the defense measures taken by the Jewish community in Palestine. ... [the British] have knowingly permitted thousands of armed Arabs to cross the frontier, to establish themselves in the country and to prepare for and to engage in open warfare against the Jewish people and the United Nations. Not once since November 29 have the British authorities seen fit to condemn the Mufti, his followers and their brutal excesses. Instead, they have reserved all their indignation for the Jews."

A Jewish Agency spokesman disclosed on March 5 that his organization was purchasing arms and ammunition in Europe, and that these were being concentrated in Mediterranean ports "on a large scale" for shipment to Palestine. Delivery was scheduled for May 16, the day following the termination of the mandate. It was further stated that arrangements were being made to bring in reinforcements to join the Haganah forces, and that approximately 4,000 trained men were already waiting in Cyprus.

Continuing their relentless warfare, Stern group terrorists on the 3rd killed and wounded a number of Arabs in Jerusalem when they detonated an army truck filled with explosives. The following day, Arabs ambushed and killed 17 Jews of the Haganah forces a short distance outside the city. Retaliatory action of this nature continued throughout March. On the 11th, Arab terrorists bombed the headquarters building of the Jewish Agency causing severe damage, loss of life and injuries. Two days later, the Jews took the offensive in raids conducted in northern Galilee, Jerusalem and Tel Aviv.

It was stated on the 18th that, in the 110 days since the Arabs had revolted against the United Nations decision to partition Palestine, 102 British, 715 Jews, and probably over 1,000 Arabs had been killed. Indignation ran high among Jewish circles in Jerusalem on the 19th with the announcement of the withdrawal of American support for partition, while Arabs demonstrated in favor of the decision.

A hoped-for truce in the Holy City during the Easter week end was marred by 15 "incidents" on March 27 and 28. Two of these involved large-scale Arab attacks on convoys that cost Jewish forces at least 70 lives-- bringing the month to a close on a note of heightened tension and unrest.

C. PROPAGANDIST ACTIVITIES

Conference on Freedom of Information

A world Conference on Freedom of Information opened in Geneva on March 23, with about 60 nations--members and nonmembers of the United Nations--represented. The Soviet Union immediately requested voting status for nonmember governments, but the suggestion was defeated because the Economic and Social Council had already ruled on the matter. The chairman of the U. S. delegation told the gathering that its primary concern should be to make progress towards three ultimate objectives, namely:

"(1) mutual guarantees by states that their citizens will be given full access to internal and external sources of information;

"(2) mutual guarantees by states that their citizens will be accorded such freedom of internal expression that their views freely expressed may have full opportunity to influence the acts of their governments;

"(3) limitations upon the power of any state so to restrict or intimidate accredited foreign correspondents or so to censor their reports that other countries cannot obtain the truth about what is going on in that country."

Carlos P. Romulo (Philippine Islands), who had submitted the original resolution authorizing the calling of such a conference, was elected chairman. Items on the agenda included a draft charter of rights and obligations of media of information, recommendations to promote machinery to aid the free flow of information, and the matter of government propaganda services.

IV. SECURITY PROBLEMS

"Prompt enactment of universal training legislation" and "temporary reenactment of selective service legislation" were two of the recommendations in the special message of President Truman to the Congress on March 17 that were especially designed "to improve the solid foundation of our own national strength." In regard to his recommendation on universal training, the President explained that:

"Until the free nations of Europe have regained their strength, and so long as communism threatens the very existence of democracy, the United States must remain strong enough to support those countries of Europe which are threatened with communist control and police-state rule. ..."

"The adoption of universal training by the United States at this time would be unmistakable evidence to all the world of our determination to back the will to peace with the strength for peace. I am convinced that the decision of the American people, expressed through the Congress, to adopt universal training would be of first importance in giving courage to every free government in the world. ..."

In regard to his recommendations on selective service, the President pointed out that:

"Our armed forces lack the necessary men to maintain their authorized strength. They have been unable to maintain their authorized strength through voluntary enlistments, even though such strength has been reduced to the very minimum necessary to meet our obligations abroad and is far below the minimum which should always be available in the Continental United States. We cannot meet our international responsibilities unless we maintain our armed forces. ..."

Declaring that the recommendations he had made "represent the most urgent steps toward securing the peace and preventing war," the President said:

"We must be ready to take very wise and necessary step to carry out this great purpose. This will require assistance to other nations. It will require an adequate and balanced military strength. We must be prepared to pay the price of peace, or assuredly we shall pay the price of war. ..."

A. ORGANIZATION OF A SYSTEM OF COLLECTIVE SECURITY

The Interim Committee of the General Assembly was in session during March and dealt with three questions, namely, the modification of the veto, principles of co-operation in the maintenance of international peace and security, and the advisability of establishing the Committee as a permanent body of the General Assembly.

1. Modification of the Veto Provisions

Interim Committee Consideration

Stemming from a request made on November 13 by the General Assembly to the Interim Committee to consider the problem of voting in the Security Council, the Committee decided on January 9 to give its members until March 15 to submit suggestions with respect to the question. On the 11th the United States, pursuing its efforts to restrict the use of the veto, announced that it would offer proposals which would liberalize Security Council voting procedure. A provisional list of 31 categories of Security Council decisions (designed to eliminate the possibility of the veto within these categories) "which the United States proposes should be made by an affirmative vote of [any] seven members, whether or not such categories are regarded as procedural or nonprocedural," was submitted.

The United States also suggested that the General Assembly "recommend to the permanent members of the Security Council that wherever feasible consultations should take place among them concerning important decisions to be taken" by the Council.

Among the 31 categories wherein the great power veto should not apply, the United States listed such matters as the admission of new United Nations members; actions to place before the Assembly questions relating to the maintenance of international peace; requests for special sessions of the Assembly; whether a Council member should be required to abstain from voting as a party to a dispute; decisions regarding participation, without a vote, of a nonmember of the Council or a nonmember of the United Nations in the discussion of a dispute; recommendations as to methods of adjusting a dispute, or having parties refer a dispute to the International Court of Justice; and requests to the Court for advisory opinions.

At the meeting of the Interim Committee on the 15th, U.S. Delegate, Philip C. Jessup, spoke on the United States proposal. He reviewed the "three phases of action" contemplated by the General Assembly resolution of November 13 on the veto: action by the Interim Committee; continued action by the Security Council; and "conferences between the Interim Committee and a committee of the Security Council." He disclosed that consultations had recently taken place among the five permanent members (the only ones who may exercise the veto), but said they had "not as yet produced tangible results."

Dr. Jessup, in explaining the proposals in detail, emphasized three important decisions of the Security Council on which the "procedure should be liberalized." These were: (1) applications for United Nations membership-- 10 of the 23 vetoes in the Security Council had related to membership; (2) decisions of the Security Council under Chapter VI of the Charter--pacific settlement of disputes; and (3) obtaining assistance by the Security Council from other United Nations organs such as the General Assembly, the Economic and Social Council, and the International Court of Justice. In a further word on membership applications, Jessup remarked: "I would be less than frank if I failed to point to the most flagrant

example of abuse of the veto, the veto of Italy's membership application by the Soviet Union. ... A way must be found to make such injustice impossible."

In addition to those made by the United States, four other proposals for the modification of the veto were submitted to the Interim Committee by Argentina, China, the United Kingdom, and New Zealand.

The Argentine proposal called for a general conference of member states under Article 109 of the Charter to study the veto "with a view to its abolition." China sought an Assembly recommendation to the Security Council that four categories of matters be considered as procedural and not subject to the veto. The United Kingdom listed six suggestions for voting procedure in the Council. New Zealand suggested that Article 27 of the Charter be amended to the effect that instead of the concurring votes of all five permanent members, the concurring votes of four of the five permanent members would be necessary for substantive decisions of the Council.

The Interim Committee, on the morning of the 15th, established a seventeen-nation subcommittee to study five proposals submitted up to that time on the veto problem. The subcommittee was instructed to report on these proposals—as well as any others yet to be introduced—to the Interim Committee by May 15. The new body, proposed by the Mexican delegate, was approved 39-0. The membership of the subcommittee comprises Argentina, Australia, Belgium, Brazil, Canada, Chile, China, Cuba, France, Guatemala, India, Norway, Siam, Syria, Turkey, Great Britain, and the United States.

The subcommittee met for the first time on the 16th, discussed its program of work, heard the views of Argentina, Cuba, and Norway on the general subject of the veto, and decided to next meet on March 22. At that session, general debate on voting procedure in the Security Council was completed. The subcommittee also appointed a nine-nation working group to study the various proposals made up to that time on the subject. In addition to the five presented earlier, Canada and Belgium had submitted views. Argentina, Australia, Belgium, Canada, China, Norway, Turkey, the United Kingdom, and the United States comprise the working group. No date was set for its first meeting.

During the meeting, the Argentine representative, who is also chairman of the subcommittee, took issue with those nations which voiced opposition to his proposal for a general conference of member states to abolish the veto. While recognizing that liberalizing the veto would be an improvement, he compared it to "using a mustard plaster when an operation was needed."

Meanwhile, President Truman in his special message to the Congress on March 17 had again called attention to the problems raised by the use of the veto in the United Nations. The President said:

"Most of the countries of the world have joined together in the United Nations in an attempt to build a world order based on law and not on force. Most of the members support the United Nations earnestly and honestly, and seek to make it stronger and more effective. One nation, however, has persistently obstructed the work of the United

Nations by constant abuse of the veto. That nation has vetoed 21 proposals for action in a little over two years."

2. Establishment of a Permanent Interim Committee

Consideration by the Interim Committee

On January 9, the Interim Committee adopted a resolution, submitted by the Philippine Republic, to set up "as from 15 March a Sub-Committee to study the advisability of establishing the Interim Committee as a permanent body of the General Assembly," and to report to the main Committee before July 1 on the matter.

On the afternoon of the 15th, the Interim Committee appointed a seventeen-nation subcommittee to consider the advisability of making the Committee permanent as, at present, it is functioning on an experimental basis--having been so established at the last General Assembly session for the purpose of maintaining continuity of the Assembly between regular sessions. Named to the permanent subcommittee were representatives from Afghanistan, Bolivia, China, Costa Rica, Egypt, El Salvador, France, Haiti, Iraq, the Netherlands, Pakistan, Panama, the Philippines, Union of South Africa, the United Kingdom, the United States, and Paraguay.

At the same meeting, Belgium introduced a proposal that "should the Interim Committee reach the conclusion that the establishment of such a permanent committee is advisable ... the General Assembly be recommended to include among the powers of this permanent committee the power to request advisory opinions of the International Court of Justice on legal questions arising within the scope of its activities (Article 96 of the Charter)." A Dominican proposal, submitted on March 10, suggested the adoption, "without any necessity for alteration," of the present working basis of the Interim Committee for a permanent body.

3. Co-operation in the Maintenance of Peace and Security

Consideration by the Interim Committee

In accordance with a joint proposal submitted by the United States and China on February 13, the Interim Committee on March 2 established, by a unanimous vote, a subcommittee to examine suggestions for implementing the sections of the Charter concerning principles of co-operation in the maintenance of international peace and security, and the promotion of international co-operation in the political field. A preliminary report was to be submitted to the Interim Committee within three weeks.

The fifteen-nation subcommittee (Australia, Belgium, Brazil, China, Colombia, the Dominican Republic, Ecuador, France, Greece, Iran, Lebanon, Sweden, Venezuela, the United Kingdom, and the United States) held its first meeting on March 3. The group agreed to immediately undertake a general survey of the principles and procedures for the peaceful settlement of international disputes.

On the 16th, a document containing an analysis of the main features of the Inter-American Peace System was communicated to the members

of the Committee by the U.N. Secretary-General. It reviewed the main features and present status of "existing Inter-American agreements for the pacific settlement of disputes and of the current plans for the revision of those agreements." The text of the draft treaty on the Inter-American Peace System, submitted by the Inter-American Juridical Committee for the consideration of the Ninth International Conference of American States to be held at Bogotá, was also published in the analysis.

On the 18th, it was stated that the subcommittee had begun a paragraph-by-paragraph study of a draft of the preliminary report which they were scheduled to submit to the Interim Committee at its March 24 meeting. During discussion on the 19th, the Australian presented some new suggestions for broadening the scope of the study. The first step, he stated, toward promoting international co-operation in the political field should be directed toward carrying out the letter and spirit of the Charter, the Statute and decisions of the International Court of Justice, the recommendations of the General Assembly, and the constitutions of the various specialized agencies. With this in mind, he suggested that the Interim Committee should examine means by which the General Assembly could: (1) "draw attention to violations of the Charter of the United Nations;" (2) "appeal to the Members of the United Nations to respect their obligations under the Charter;" and (3) "call upon the Members of the United Nations to exercise vigilance in reporting violations so that the nations responsible may be called upon to defend their policies in public debate."

4. The International Control of Atomic Energy

Conclusion of U.N. Working Committee Discussions on Soviet Proposals

A detailed paragraph-by-paragraph discussion of the Soviet proposals of June 11, 1947 for the control of atomic energy was completed by the Working Committee of the U. N. Atomic Energy Commission on March 9. Beginning on January 16, seven meetings had been devoted to the examination of the Soviet plan.

U. S. representative Frederick Osborn stated that while there had been, in the main, a repetition of charges made by the Soviet delegate during the last 18 months, some light had been thrown on the question of scientific research. He declared that the Soviet Union, in refusing to accept the licensing of national atomic research facilities, was refusing to provide means for the proposed international control agency to: "(1) locate dangerous activities; (2) inform itself on new developments; and (3) provide that all information was freely given out and that there was no more secrecy in connection with atomic energy."

Soviet Delegate Gromyko stressed that his delegation believed it impossible to reconcile the granting to the proposed agency of the right to carry out research with the aims of international atomic control. He stated: "To conduct research on atomic weapons means to deal with such weapons, to produce and perfect them. Since atomic weapons should be eliminated as such, even the international control organ should not have any power and functions to carry out research... ."

At the next meeting of the Working Committee, held on March 18, a discussion of the Soviet proposals as a whole were begun. The Ukrainian delegate reviewed at some length what he considered to be the three main points of disagreement: (1) the question of priority between the convention for the prohibition of atomic weapons and the control convention; (2) simultaneous strict and effective control over all plants producing atomic materials; and (3) establishment of the international control agency within the framework of the Security Council. He held that only the Soviet proposals could lead the Atomic Energy Commission "out of the impasse in which it had found itself for already two years." After the United Kingdom and Argentine delegates had replied in part to the Ukrainian representative, the Working Committee adjourned until March 25.

After further consideration of the Soviet views on international atomic energy control a four-nation group (Great Britain, France, China, and Canada) issued a report on March 27 rejecting the Soviet stand and declaring that no useful purpose could be served by further discussion in the U. N. Atomic Energy Commission of the proposals as set forth by Gromyko. The report was upheld by a majority of the members of the Working Committee. "It is completely unrealistic," the report pointed out, "to expect any nation to renounce atomic weapons without any assurance that all nations will be prevented from using them." It was held that lack of effective controls and enforcement machinery could result only in false security.

U. S. Delegate Osborn, who gave full endorsement to the report, stated: "Soviet proposals for control of atomic energy provide a semblance of control sufficient only to mislead the uninformed. There are no real similarities between the Soviet proposals and proposals supported by the majority of the Atomic Commission." The Soviet delegate, having failed to block attempts to obtain a vote on the four-power resolution, said he wished to speak further on the issue. April 5 was set as the date for the next meeting of the Working Committee.

U.N. Control Committee Meeting

Meeting on March 30 for the first time since February 9, five members of the eleven-member Controls Committee of the U. N. Atomic Energy Commission agreed that further discussions (in the light of developments in the Working Committee) would be futile until the minority--the Soviet Union and the Ukraine--indicated willingness to negotiate on the basis of the Commission's majority plan for the international control of atomic energy production. The Canadian delegate, on the 31st, re-emphasized the uselessness of further pursuit of the matter under the existing situation. The United States, Belgium, France, and the United Kingdom expressed similar views. The Committee thereupon adjourned without setting any date for a future meeting.

5. The Regulation of Conventional Armaments

U.N. Working Committee

On March 1, meeting for the first time since January 21, the Working Committee of the Commission for Conventional Armaments received a

revised draft resolution covering general principles for the formulation of practical proposals for a system of regulation and reduction of armaments and armed forces. The revised document, submitted by the United Kingdom, was drafted in agreement with the Australian delegation. The following recommendations were made:

- "1. A system for the regulation and reduction of armaments and armed forces should provide for the adherence of all States. Initially it must include at least all States having substantial military resources.
- "2. A system of regulation ... can only be put into effect in an atmosphere of international confidence. Measures for ... regulation ... would follow the establishment of the necessary degree of confidence ... and so justify further measures of regulation and reduction.
- "3. The establishment of an adequate system of agreements under Article 43 of the Charter is an essential condition of full international confidence. Other examples of such conditions are:
 - (a) the establishment of the international control of atomic energy. ...
 - (b) the conclusion of peace settlements with Germany and Japan ...[to] prevent these States from undertaking aggressive action in the future.
- "4. A system for ... regulation ... must limit armaments and armed forces to those which are consistent with the indispensable to the maintenance of international peace and security.
- "5. A system for ... regulation ... must include an adequate system of safeguards [to] ensure the observance of the provisions of the treaty or convention by all parties thereto. A system of safeguards cannot be adequate unless it possesses the following characteristics:
 - (a) it is technically feasible and practical;
 - (b) it is capable of detecting promptly the occurrence of violations;
 - (c) it causes the minimum interference with, and imposes the minimum burdens on, the economic and industrial life of individual nations.
- "6. Provision must be made for effective enforcement action in the event of violations."

Following a paragraph-by-paragraph criticism of the new United Kingdom proposal by the Soviet delegate, the Committee adjourned.

B. REGIONAL PROBLEMS

1. The Inter-American SystemFalkland Islands Dispute

On March 2 Chilean President Gonzalez Videla, on his return from a visit to bases claimed by that country in the Antarctic, said that the inter-American defence system "obliged Chile to denounce publicly a threat of aggression which might be against all nations of the Americas." Videla announced that Chile would complain at the Bogotá Conference against United States policy of excluding Antarctica from the zone of American hemispheric security.

Chile and Argentina signed an agreement on the 4th for the joint defence of their "rights in the South American Antarctic," and the Argentine Foreign Minister announced that his country would likewise raise the question of these territories at Bogotá. The Foreign Minister, when asked if the agreement implied military action, said that the two countries intended to "exercise all rights derived from sovereignty." He added that the Falkland Islands dispute with Great Britain would be raised at Bogotá.

Belize Dispute

Continuing differences between the Governments of Great Britain and Guatemala over conflicting claims in Belize, British Honduras, led to the dispatch of two British notes to the Guatemalan Government early in March. On the 3rd, the Foreign Office in London published a note accusing Guatemala of having permitted a "disgraceful" demonstration against the British Legation in Guatemala City on March 2. Foreign Secretary Bevin explained to the House of Commons that two cruisers and troops had been sent to British Honduras because it was the duty of the government to "take the necessary step" to protect the British colony in the event of threat of force from Guatemala. In a second note, published in London on March 4, "His Majesty's Government firmly rejected any suggestion that their position in British Honduras is in any sense being illegally maintained." Great Britain also renewed its offer to submit the conflicting claims to arbitration by the International Court of Justice.

The United States on March 3 sent a note to the Guatemalan Government in reply to its communication of February 27 concerning the dispute. The note said that the U. S. Government held "the confident hope that the Governments of Guatemala and Great Britain will soon find means of bringing the long-standing Belize controversy to a mutually satisfactory settlement." Guatemala ordered its border with British Honduras closed on the 5th to avoid incidents, and the next day flew troops into the Peten area to strengthen forces near the frontier.

Great Britain on the 9th rejected two additional notes of the Guatemalan Government sent under dates of January 21 and February 7, saying that the Guatemalan contention that doubts existed as to the validity of British sovereignty in British Honduras could not be accepted, and pointing out that the inhabitants "have expressed the clearest desire to remain within the British Commonwealth." The following day (10th) a Guatemalan note

of March 4 denying responsibility for the demonstrations against the British Legation was also rejected by Great Britain. The Guatemalan Congress on the 12th approved a resolution, urging the government to study the "convenience of breaking diplomatic relations with England."

Later in the month, it was reported, without confirmation, that Guatemala intended to raise the question of its whole dispute with Great Britain at the Bogotá conference.

Bogotá Conference

The ninth International Conference of American States opened in Bogotá, Colombia on March 30. The United States was represented by a ninety-member delegation, headed by Secretary of State Marshall. The agenda included the drawing up of a new organic pact for the Inter-American system (embodying a permanent defense council to enforce the Rio de Janeiro defense treaty), economic assistance to Latin America, and the drafting of a pact for peaceful settlement of intra-American disputes.

At the opening meeting of the delegation chiefs (30th), the Secretary of State asked whether the agenda "may be considered to permit a discussion of foreign-inspired subversive activities directed against the institutions and peace and security of the American countries." He added: "I am told that this is a subject of considerable concern to the countries represented here." There was complete agreement among the delegates that Secretary of State Marshall's question should be answered in the affirmative. The Colombian Foreign Minister was selected conference president. It was also decided at this first session to divide the gathering into six main commissions.

The chief of the Chilean delegation, Dr. Hernán Santa Cruz, on the following day appealed for an ideological break with the nondemocratic nations. Dr. Hernán renounced his country's neutrality in the "undeclared war of ideologies" and urged the other American countries to line up with Chile on the side of "democracy and liberty." The Chilean delegate pointed out that more and more countries were losing the liberties for which many had died, and added that "we do not have the right to delude our people with false statements of optimism."

On the afternoon of the 31st, the Nicaraguan delegation was seated, despite a Guatemalan protest, and after reservations by the Panamanian and Venezuelan delegates that such action did not presuppose recognition of the present Nicaraguan regime.

2. Western European Union

Conclusion of the Five-Power Pact

As an outgrowth of steps taken during February, representatives of Great Britain, France, and the Benelux states met in Brussels on March 4 to draw up a pact of mutual assistance and economic co-operation. By the 12th, agreement had been reached on the provisions to be contained in such a treaty. The foreign ministers of the interested governments came to Brussels on the 17th from the Paris Economic Conference and signed the accord.

The treaty bound the signatory nations to render mutual assistance in "maintaining international peace and security and in resisting any policy of aggression." It also provided for extensive co-operation in the economic and social fields. The "principles of democracy, personal freedom and political liberty, the constitutional traditions and the rule of law which are their common heritage," were declared to be among the objectives of the agreement. With these ends in view, the five powers agreed to act:

- (a) To eliminate conflict in their economic policies, to co-ordinate production and develop commercial exchanges.
- (b) To develop on corresponding lines the social and other related services of their countries, and to promote cultural exchanges.
- (c) To "afford ... all military and other aid and assistance in their power" to any signatory which is "the object of an armed attack in Europe ... in accordance with the provisions of Article 51 of the Charter of the United Nations."

The treaty further provided that a consultative council, "so organized as to be able to exercise its functions continuously," be established "for the purpose of consulting together on all questions dealt with in the present treaty." This council could be convened at the request of any of the signatories "to permit the high contracting parties to consult with regard to any situation which may constitute a threat to the peace, in whatever area this threat should arise, with regard to the attitude to be adopted and the steps to be taken in the case of a renewal by Germany of an aggressive policy, or with regard to any situation constituting a danger to economic stability."

Finally, it was provided that "the high contracting parties may, by agreement, invite any other state to accede to the present treaty on conditions to be agreed between them and the state so invited." The treaty will remain in force for 50 years from the date of deposit of the last instrument of ratification.

On the same day (17th) that the Five-Power Pact was signed in Brussels, President Truman in his special message to the Congress promised the co-operation of the United States in the undertaking. The President said:

"At the very moment I am addressing you, five nations of the European community, in Brussels, are signing a 50-year agreement for economic cooperation and common defense against aggression. This action has great significance, for this agreement was not imposed by the decree of a more powerful neighbor. It was the free choice of independent governments representing the will of their people, and acting within the terms of the Charter of the United Nations.

"Its significance goes far beyond the actual terms of the agreement itself. It is a notable step in the direction of unity in Europe for the protection and preservation of its civilization. This development deserves our full support. I am confident that the United States will, by appropriate means, extend to the free nations the support

which the situation requires. I am sure that the determination of the free countries of Europe to protect themselves will be matched by an equal determination on our part to help them to do so. . . ."

Later in the month (24th) the Five-Power Pact was ratified in the Belgian Senate by a vote of 138 to 15.

C. OTHER ASPECTS OF UNITED STATES MILITARY SECURITY

1. National Military Establishment

Report on National Aviation Policy

A Joint Congressional Aviation Policy Board made public on the first of the month a report recommending the expansion of United States air power to a seventy-group force with 35,000 planes during the next five years, designed to "maintain a balance of peace" in a free world. The bi-partisan Board (headed by Senator Owen Brewster of Maine as chairman), in a policy statement, said that:

"The military air power of the United States should be maintained at such effectiveness as to be able under all circumstances to control the air spaces of the United States, its possessions, territories, bases, and occupied lands wheresoever, and be able to retaliate in greater degree for any attacks launched by air, or otherwise, against the peace and security of the United States or those free allied governments with which it is joined for mutual defense."

Joint Chiefs of Staff Meeting

Meetings between the Joint Chiefs of Staff and Secretary of Defense James Forrestal were held from March 11 to 14 at the Key West submarine base in Florida. The purpose of the gathering was to discuss points relating to unification in an area of disagreement between the armed services, upon which a determination had not then been made.

On March 27 a staff paper was made public containing the decisions reached at Key West on assignment of missions to the three armed services. This paper, which described the main functions of the services, was submitted to President Truman. When approved by him, it will be issued to the armed services for their guidance.

In general, the areas of definition are as follows: (1) Army: The plan gives to the Army the principal responsibility for military operations on land. (2) Navy: The carrying out of sea campaigns, including seizure and security of vital advanced operational bases is assigned to this branch. (3) Air Force: Strategic air warfare is made the primary responsibility of this branch, although by a corollary agreement not contained in the paper, the Navy is permitted to attack any target, inland or otherwise. (4) Marine Corps: This arm is given primary responsibility, under Navy direction, for development of amphibious landing techniques, and to serve with United States fleets in the seizure or defense of advanced naval bases.

The functions of the Joint Chiefs of Staff are also set forth as follows:

"... To prepare strategic plans and to provide for the strategic direction of the Armed Forces, to include the general direction of the Armed Forces, to include the general direction of all combat operations.

"To prepare joint logistic plans and to assign to the military services logistic responsibilities in accordance with such plans.

"To prepare integrated joint plans for military mobilization and to review major material requirements and personnel qualifications and requirements of the Armed Forces in the light of strategic and logistic plans. ...

"To establish unified commands in strategic areas when such unified commands are in the interest of national security and to authorize commanders thereof to establish such subordinate unified commands as may be necessary... ."

The paper also pointed out that "there shall be the maximum practicable integration of the policies and procedures of the departments and agencies of the National Military Establishment. This does not imply a merging of armed forces, but does demand a consonance and correlation of policies and procedures throughout the National Military Establishment, in order to produce an effective, economical, harmonious and business-like organization which will insure the military security of the United States."

It was suggested that the functions of each unit be carried out so as to achieve "effective strategic direction of the Armed Forces, operation of the Armed Forces under unified command, wherever such unified command is in the best interest of national security. Integration of the Armed Forces into an efficient team of land, naval, and air forces. Prevention of unnecessary duplication or overlapping among the Services, by utilization of the personnel, intelligence, facilities, equipment, supplies and services of any or all Services in all cases where military effectiveness and economy of resources will thereby be increased. Co-ordination of Armed Forces operations to promote efficiency and economy and to prevent gaps in responsibility. ..."

A statement from the office of the Secretary of Defense explained that underlying the agreement were two new ideas made feasible only because of the unification of the armed forces under a single secretariat. One was described as the assigning to each of the services some corollary functions in addition to its major responsibilities; the other provided for the presentation to the Chiefs of Staff of any problem--to be made by the member of the Service of which that problem is of primary concern. Secretary of Defense Forrestal used an eighty-thousand-ton aircraft carrier to illustrate the evaluation of primary and collateral functions. He said: "The Navy would not build a large carrier on the basis of its contribution to strategic air warfare." "On the other hand," he added, "it might not be able to justify the carrier solely on the basis of its naval function, but a consideration of its purely naval function, plus the contribution which it could make to strategic air missions might be enough to warrant its construction, if so decided by the Joint Chiefs of Staff."

Universal Military Training And Selective Service

Early in March it became apparent that the Administration was backing a Senate move to make universal military training a "companion measure" to the European Recovery Program. Hearings were ordered by the Senate Armed Services Committee on the 8th, after private conversations with four ranking defense officials of the country. Secretary of Defense Forrestal said at that time: "Events are making progress for us."

Following President Truman's request on March 17 to the Congress to reinstate selective service and to enact universal military training, Secretary of State Marshall (17th), in a statement to the Senate Armed Services Committee at the opening session of hearings on UMT, said: "While the European Recovery Program is fundamental for strengthening of Western Europe, this economic program in the existing situation is not a complete answer. ...The accelerating march of events in European areas has now made it clear that reliance for the future safety of these areas cannot be placed alone on slow processes of reconstruction financed with our help."

Secretary Marshall further stated that "we must show, conclusively, by decisive legislative action, to all nations of the world that the United States intends to be strong and to hold that strength ready to keep the European world both at peace and free. Diplomatic action, without the backing of military strength in the present world can lead only to appeasement." The Secretary then explained that the adoption of universal military training would not be a war measure, but actually the opposite, adding that "we want peace, we want to avoid war." He also asserted that the reinstitution of selective service was necessary to bring the United States armed forces up to their authorized strength. The Secretary of State next told the committee that "a reconsideration of our air program is necessary," but first, he explained "the decision of the American people to adopt the democratic procedure of universal military training would strengthen every free government."

The House Armed Services Committee chairman on the same day (17) endorsed the President's request for re-enactment of a selective service law. He explained that he had done all he could to get the Rules Committee to report out the UNT bill, which provides a year's military training for men between the ages of 18 and 20.

Defense Secretary Forrestal testified before the Senate Armed Services Committee, on the 18th, in support of the President's request for the reinstitution of selective service temporarily to bring up U. S. forces up to their authorized number. He explained that the Joint Chiefs of Staff recommended the strengthening of the forces, and said that after study a specific request would be made to the Congress along these lines. Forrestal said that, in his view, what was needed in armed service expansion, was balanced strength for each arm of the services, including air.

In the course of the month, the Senate Armed Services Committee heard testimony in favor of the Administration's attitude on UNT and selective service from such persons as Dr. Karl T. Compton, former head of the President's Advisory Commission on Universal Military Training, Former

Under Secretary of State, Joseph C. Grew, and Mrs. Franklin D. Roosevelt. On the 22nd, Secretary Marshall conferred with the Committee in closed session; it was reported that he had been asked what the United States would do in case the Italian elections of April 18 were favorable to the Communists.

On the 25th, Defense Secretary Forrestal and top civilian and service heads appeared before the Senate Committee to press for adoption of selective service and UNT. Forrestal asked for a personnel increase in the armed services of 349,500 men, which would require an additional appropriation of \$3 billion in addition to the \$11 billion that had already been requested for national defense. The Secretary said: "I come before you today to propose a program better to assure the national safety and to encourage free countries of the world to remain free." He explained that the "strength which we advocate for the United States is the minimum necessity if we are to discharge our responsibility in the family of peoples who desire peace, adding:

"Today I wish to speak primarily of a balanced strength in man power--on the ground, on the sea, in the air--and how we believe that strength should be attained. This balanced strength is a resolution of the needs of the Air Force, the Army and the Navy. We need a strong Air Force, capable of striking sustained blows far beyond the peripheral bases which we now hold. ...We need a ground force to protect our air bases from hostile attack, which it takes much more than airplanes to resist. We need a ground force to seize and hold more distant bases--should the attack fall upon us--in order to take the war to the enemy.... . We need a Navy capable of defending the necessary sea lanes of the world.... ."

The Defense Secretary said that "to meet these needs, we need more man power than we have today." He pointed out that the U.S. program "for a balanced strength in man power falls into two parts--(a) the short-term, which looks to the immediate strengthening of our regular forces; (b) the long-term, which looks to the provision of adequate reserves." "The short-term program," he explained, "can be accomplished only through a selective service law; the long-term can be accomplished, without inordinate cost, only through universal military training." In conclusion, he stated that "it is America's desire to retain her free enterprise, her free economy, her high standard of living and her full employment. At the same time, it is her desire to live at peace in a world of free nations. The program which is here proposed can be accommodated, it is believed, within the present national income." Following the Forrestal testimony, each Departmental Secretary explained the role of his service in the program.

As the Senate Armed Services Committee continued hearings on universal military training, the head of the President's Council of Economic Advisers said that body was aware of the inflationary pressure of an additional \$4 billion in defense spending. He asserted: "It is a very sobering situation." On the 29th, Bernard M. Baruch told the Committee that not only should the Congress enact at once both the stop-gap selective draft and a universal military training law, but it should be ready to adopt speedily a total plan for industrial and economic mobilization as corollary measures.

Baruch said: "There is no peace," pointing out that "the United Nations was established to keep a peace which does not exist and therefore has not been able to function effectively." He added:

"We now face the necessity of retracing at least partly those steps of scuttle-and-run which were taken immediately after the shooting ended.... .

"... Never again do we dare permit our own lack of preparedness to encourage any potential aggressor into attacking this country or into overrunning other peaceful nations.... . The resources, economic, military and spiritual, which the free peoples of the world hold, are vastly superior to those which the totalitarians can command. In every field the advantage is ours, in materials and in access to all the far reaches of the world, in industrial capacity, technical skills, yes even in manpower, and above all in the spiritual strength of free men. We have but to mobilize enough of these resources and to apply them intelligently, vigorously and promptly to achieve the stability in the world which lasting peace requires.... ."

Presidential Proclamation Limiting Export of War Matériel

President Truman on March 26 issued a proclamation, to become effective April 15, revising the official list of arms, ammunition, and implements of war. Potential exporters of such matériel are required to obtain licenses from the National Munitions Control Board before shipment out of the country can be made. Included in the new list, which repeats all items on the last list (dated February 14, 1947), were airplane engines and parts--making the shipment of such equipment difficult. Only military aircraft and parts and accessories had appeared on the old list. President Truman explained that he was acting on the recommendation of the Control Board, and in the interest of the foreign-affairs functions of the United States.

Commerce Secretary Harriman, speaking of the action on the 26th, said: "Our export policies must be flexible to meet any changes in the international situation. No shipments that might contribute to the war potential of the U.S.S.R. and its satellites are licensed without prior consultation with the military agencies." Harriman explained, however, that the United States required manganese and chrome from the Soviet Union, adding that of the \$45 million in raw materials imported from that country in the last six months of 1947, \$22.5 million accounted for these scarce minerals. The Secretary of Commerce said that the Soviet Union had been willing thus far to supply these minerals, but observed that "we would be very much embarrassed if these supplies were cut off." However, he said, new sources of supply could be found.

APPENDIX

LIST OF SELECTED DOCUMENTS

The documents listed in this Appendix are the more important ones issued during March bearing primarily on the developments recorded in this Summary. The list, which generally follows the arrangements of headings in the Summary, has been largely restricted to materials of an official nature, and limitations of space have made it necessary to choose only a very few of the principal items. For additional reference purposes, full texts or excerpts can usually be found in various newspapers or periodicals.

GENERAL

Toward Securing the Peace and Preventing War. Address by the President to the Congress of the United States, March 17, 1948. Department of State Publication 3102, General Foreign Policy Series 2, released March 1948. 5 pp.

Address by the Honorable George C. Marshall, Secretary of State (at the University of California, Los Angeles). Department of State Press Release No. 221, March 19, 1948, 5 pp.

Statement by Secretary of State George C. Marshall (at Press Conference in Los Angeles). Department of State Press Release No. 225, March 20, 1948, 2 pp.

Report on the Operations of the Department of State, Message from the President of the United States Transmitting a Report by the Secretary of State on the Operations of the Department of State. 80th Congress, 2nd Session, House of Representatives, Document No. 562, March 8, 1948. pp. 1-15.

PROBLEMS OF THE PEACE SETTLEMENTS

Tripartite Conversations on German Problems--Text of Communiqué. Department of State Bulletin, Vol. XVIII, No. 455, March 21, 1948, pp. 380-381.

Statement by Secretary of State Marshall on Result of London Talks on Germany. Department of State Bulletin, Vol. XVIII, No. 455, March 21, 1948, p. 380.

Report of Industry--Government Scrap Iron and Steel Mission to Germany. Department of Commerce, Washington, March 1948. 8 pp.

Economic and Political Conditions in the Far East: Japan, China, Korea. Report of William Montgomery McGovern, for the use of the Committee on Foreign Affairs and the Select Committee on Foreign Aid. Government Printing Office, Washington, March 1948, 26 pp.

Prohibition of Military Activity in Japan and Disposition of the Japanese Military Equipment. Far Eastern Commission, Official Press Release No. 42 (92nd FEC Mtg.) March 22, 1948, 4 pp. mimeo.

Report on Industrial Reparations Survey of Japan to the United States of America, February 1948. Overseas Consultants, Inc., New York (Clifford S.

Strike, President). Released by Secretary of the Army Kenneth C. Royall. 224 pp. and Exhibits 0.1-13.3

Korean Elections--Proclamation and Statement by Lieutenant General John R. Hodge, United States Commander in Korea. Department of State Bulletin, Vol. XVIII, No. 454, March 14, 1948, pp. 344-345.

Continuation of Assistance to Free Territory of Trieste. Letter from the Secretary of State to the President Pro Tempore of the Senate, Department of State Bulletin, Vol XVIII, No. 454, March 14, 1948, pp. 348-349.

ECONOMIC AND SOCIAL PROBLEMS

Preliminary Reports 18, 19, 20, 22, 23 of House Select Committee on Foreign Aid (Herter Committee): Report on the United Kingdom, 22 pp.; Selected Machinery and Equipment in the Proposed Foreign Aid Program, 10 pp.; The East European Economy in Relation to the European Recovery Program, 77 pp.; Present Functions and Organization of United States and International Agencies Related to a Program of Foreign Aid and Recovery, 96 pp.; Latin America and the European Recovery Program, 19 pp.; U.S. Government Printing Office, 1948.

Foreign Assistance Act of 1948--Report of the Committee on Foreign Affairs. 80th Congress, 2nd Session, House Report No. 1585, March 20, 1948, U. S. Government Printing Office, Washington, 1948, 106 pp.

Havana Charter for an International Trade Organization. Department of State, March 23, 1948, 108 pp. mimeo.

The United States Reciprocal Trade-Agreements Program and the Proposed International Trade Organization. Department of State Bulletin, Vol. XVIII, No. 455, March 21, 1948, 00. 367-373.

Extension of Reciprocal Trade Agreements Act--Message of the President to the Congress. Department of State Bulletin, Vol. XVIII, No. 454, March 14, 1948, pp. 351-352. Also 80th Congress, 2nd Session, House Document No. 551.

Aid to Greece and Turkey--Report of the Committee on Foreign Relations, 80th Congress, 2nd Session, Senate Report No. 1017, March 22, 1948, U. S. Government Printing Office, Washington, 1948, 38 pp.

Round-up of Sixth Session of the Economic and Social Council, 2 February-11 March 1948. Press Release ECOSOC/275, 23 pp. mimeo.

POLITICAL PROBLEMS

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